PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 318

HOUSE OF COMMONS

OFFICIAL REPORT

FIRST SESSION OF THE FIFTY-SECOND PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
FORTY-SEVENTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 1997–98

COMPRISING PERIOD
26 October—5 November 1998

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26 October 1998

THE
PARLIAMENTARY DEBATES
OFFICIAL REPORT

IN THE FIRST SESSION OF THE FIFTY-SECOND PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 7 MAY 1997]

FORTY-SEVENTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 318**

TWENTY FIFTH VOLUME OF SESSION 1997–98

House of Commons

Monday 26 October 1998

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Oral Answers to Questions

HOME DEPARTMENT

The Secretary of State was asked—

Hillsborough

1. **Maria Eagle** (Liverpool, Garston): If all material held by South Yorkshire police in respect of the Hillsborough disaster which he ordered to be placed in the Library has now been deposited. [53506]

The Secretary of State for the Home Department (Mr. Jack Straw): As much of the evidence as possible considered by Lord Justice Stuart-Smith in his Hillsborough scrutiny, including that held by South Yorkshire police, has been placed in the Library. That includes copies of the police statements, both in their original and amended form, and copies of other material considered by Lord Justice Stuart-Smith not already in the public domain.

I am aware that the Hillsborough family support group has queried whether there are any further statements outstanding and that is being followed up by South Yorkshire police.

Maria Eagle: I thank my right hon. Friend for that reply. I shall write to him in due course about the matter, as I believe that there is documentation that he said should be put in the Library, but which is not yet there. I shall give specific examples when I write to my right hon. Friend.

The question that arises in my mind is why that documentation is still held by the South Yorkshire police. It was not formed or prepared by the police force, which was a party that was severely criticised in Lord Chief Justice Taylor's inquiry report. One of the problems the families have had in obtaining that documentation is the fact that South Yorkshire police have been unwilling to give it up. Can my right hon. Friend the Home Secretary tell the House why the police have custody of it?

Mr. Straw: The arrangements for the retention of those documents by the South Yorkshire police are the standard ones that apply in any police area: it is the responsibility of the police force concerned. A huge number of documents have been held and properly archived by the South Yorkshire police. We are transferring all those documents that are relevant to the Library of the House. I am aware of my hon. Friend's concerns and, once she has sent me details, I shall look into the matter.

Mr. Michael Fabricant (Lichfield): We look forward to the Home Secretary finally reaching his conclusions regarding the Hillsborough disaster, having taken into account the new information now coming from survivors and relatives of those who were killed. Does the right hon. Gentleman agree that there are lessons to be learnt regarding crowd control, not only in football stadiums, but for other large events, such as the funeral of the Princess of Wales? What steps is he taking to ensure that the lessons learnt from the Hillsborough disaster are transmitted to other such events?

Mr. Straw: A great many lessons were drawn from what happened at Hillsborough and, more particularly, from the excellent report of the inquiry conducted by Lord Taylor, later Lord Chief Justice. The police service and many others who have responsibility for crowd control have taken proper cognisance of the lessons to be learnt.

I have to say that I believe that the Metropolitan police service dealt with the policing of the funeral of the Princess of Wales with exemplary intelligence and skill.

Mr. Frank Field (Birkenhead): Is my right hon. Friend the Home Secretary aware that a large number of people in Merseyside who lost relatives at Hillsborough would like directly to look at the documentary material? Would he consider making that material available in Liverpool library?

Mr. Straw: I agree with my right hon. Friend that the information should be made available. I understand, although I am not absolutely certain, that the information is either currently being transferred to, or already held at, the central library in Liverpool. If that is not so, I shall certainly do my best to make arrangements to ensure that it is.

Police (Early Retirement)

2. **Judy Mallaber** (Amber Valley): What plans he has to reduce the proportion of early retirements from the police. [53508]

The Minister of State, Home Office (Mr. Alun Michael): Earlier this year, we published a consultation document on police pension arrangements, which highlighted the need for more efficient management of ill-health retirement. Work is in hand on detailed proposals and we shall support good management practice, with changes to the police pensions regulations where necessary. Any proposals will be published in good time to allow for full consultation with the interested parties.

Judy Mallaber: I am pleased that my hon. Friend is taking the issue seriously because, in Derbyshire constabulary last year, 65 per cent. of officers retiring did so on grounds of ill health. Has he seen the report on the Derbyshire constabulary published this month by Her Majesty's inspectorate? The constabulary is praised for having Investors in People accreditation and a Government charter mark, but attention is drawn to the problem of early retirement on medical and sickness grounds. Is my right hon. Friend aware that the inspectorate has previously expressed concern about underfunding of the Derbyshire police; and can he confirm that the Government will in future give the police adequate resources to enable them to play their part in tackling crime and to limit the stress on police officers?

Mr. Michael: My hon. Friend is right to draw attention to the problem and to the need to control medical retirements, because the pensions being paid out of police resources mean a reduction in the resources available to that police force. The variations are extremely large: in 1996-97, 16 per cent. of all police retirements in Wiltshire were on medical grounds, whereas the figure in Merseyside was 77 per cent. Merseyside has reduced that figure by 23 per cent. in the intervening period, so it is clear that police forces can manage the problem and increase their own resources by doing so.

Mr. Eric Forth (Bromley and Chislehurst): Has the Home Secretary received any requests for early retirement on the ground of stress from the police officers involved in arresting Senator Pinochet, as it appears that the Foreign and Commonwealth Office had welcomed the gentleman to Britain through the VIP lounge but officers responsible to the Home Secretary were asked to arrest him?

Mr. Michael: The answer to the substantive question is no.

Dr. Brian Iddon (Bolton, South-East): Is my hon. Friend aware that, last week, the Greater Manchester police announced substantial reductions in its work force? Would he be prepared to enter into consultation with the force to make sure that my constituents are not affected by reductions in the work of the police?

Mr. Michael: In recent years, the number of officers available for front-line policing has not kept pace with the number of officers available overall. We are encouraging police forces to use their resources—particularly the men and women who serve them—on the front line in the community rather than in support services. Each report of the inspectorate has demonstrated that there are still savings to be made which can improve the quality of the service to the public.

Sir Sydney Chapman (Chipping Barnet): Does the Minister recognise that in the Metropolitan police force the problem is not only that too many officers are retiring early, but that too many are seeking transfer to other police authorities? Will he consider that problem when he reviews Metropolitan police pay and conditions of service?

Mr. Michael: That is a complex issue for the Commissioner. Many people come from outside London to serve in the Metropolitan police and many officers later seek to transfer to other forces, so transfers work in both directions. For example, many serving at the highest levels in the Metropolitan police have spent time, perhaps at chief constable level, in another force. That is a management issue which needs to be treated with care.

Financial Regulation

3. **Mr. Austin Mitchell** (Great Grimsby): When he expects the inquiry into financial regulation in the Channel Islands and the Isle of Man to report. [53509]

The Secretary of State for the Home Department (Mr. Jack Straw): Mr. Andrew Edwards, who conducted the inquiry, delivered his report last week. It is being prepared for printing and will be published, in its entirety, for the House and the other place next month.

Mr. Mitchell: I welcome that speedy delivery. Will the Home Secretary also opt for speedy implementation of the Edwards report—by consent, if possible, but if necessary, by imposition—to clean up the financial acts in the Crown dependencies, particularly Jersey and Guernsey? The Edwards report found that regulators are promoting the development of financial services and business is being conducted in maximum secrecy with those involved repelling outside inquiries, as in the case of the Bank of Credit and Commerce International. There is no separation of powers on the islands, so those who benefit

from financial services also have influence over the Executive, the legislature and the judicial and regulatory structures. Does the Home Secretary agree that such arrangements are totally unsuitable?

Mr. Straw: I understand my hon. Friend's strong views. He will appreciate that, as I read the report only late last night, I am not in a position to discuss its individual recommendations, and it would be wrong to do so before the report is presented to the House. Once the report is published in its entirety, there will be every opportunity for its contents to be discussed by Members of Parliament and responsible individuals in the islands.

Mr. Nick Hawkins (Surrey Heath): The Home Secretary is aware of my concern about the way in which the inquiry was launched because he and I have corresponded about that. I am grateful to him for stating that his ministerial colleague in another place will meet me and the hon. Member for Tooting (Mr. Cox) to discuss the fact that, at the time of the inquiry's launch, the legislatures in the Channel Islands and the Isle of Man were considerably upset. Will he confirm that the concerns that I have raised with him in writing will be dealt with and that we will never again present the legislatures in overseas territories such as the Channel Islands and the Isle of Man with emergency announcements that completely bypass the normal structures and lead to their holding emergency debates on the possibility of secession?

Mr. Straw: We endeavour to maintain good relations with the islands, and I pay tribute to my noble and learned friend Lord Williams of Mostyn for the way in which he conducts those relations, day by day and week by week. The constitutional relationship between the islands and the Parliament of the United Kingdom was set out very clearly in the Kilbrandon report in the early 1970s. The action that I took in announcing and establishing the inquiry was fully consistent with the deliberations and conclusions about that relationship set out in Kilbrandon.

Prison Sentences

4. **Mr. Tim Loughton** (East Worthing and Shoreham): How many offenders were given prison sentences of four months or more but less than eight months in the most recent year for which figures are available. [53510]

The Parliamentary Under-Secretary of State for the Home Department (Mr. George Howarth): There were 16,132 during 1997.

Mr. Loughton: I am grateful for that short answer. Will the Minister confirm that, under the home detention curfew scheme, a criminal who received a sentence of six months would spend only six weeks in prison? Is that correct?

Mr. Howarth: Home detention curfews will be introduced on 28 January 1999. All prisoners will have to satisfy a risk assessment that will be carried out by the Prison Service, and we expect that about 50 per cent. of those who are eligible will qualify for the scheme.

The length of the curfew—which is the point of the hon. Gentleman's question—will be determined by the length of the sentence. In order to avoid unfair anomalies, section 99 of the relevant Act sets out a sliding scale. *[Interruption.]* I am answering the question that the hon. Gentleman asked. If Opposition Members do not like my answer, I suggest that the hon. Gentleman asks a different question. The sliding scale ensures two things: first, that as much time is spent in custody as under curfew; and, secondly, that at least 14 days are spent under curfew. If the hon. Gentleman examines the statistics and the facts of the matter, he will discover that he is actually arguing about two weeks.

Mr. Ken Maginnis (Fermanagh and South Tyrone): Specific to the length of prison sentences, will the Minister tell the House what penalties were imposed by the courts in the five cases of serious social security fraud cited in the Government publication of July 1998 entitled "Beating Fraud is Everyone's Business—Securing the Future"? Will the Minister remind the House of the sums involved and will he reassure the public that, in the context of crime prevention, the punishment meted out by the courts must be worthy of the crime?

Mr. Howarth: Obviously, the courts will determine what sentences to impose in any set of circumstances. As I did not receive notice of his question, it would be invidious for me to comment on the cases to which the hon. Gentleman referred. However, I am sure that all hon. Members agree that prison sentences and other punishments must be available to the courts in the case of social security fraud. In some circumstances, they are quite appropriate punishments.

Mr. Martin Linton (Battersea): Does my hon. Friend agree that, although short sentences of fewer than eight months might have a deterrent effect, they have very little rehabilitative or training content and leave many people with no alternative means of earning a living on their release from prison? Does my hon. Friend agree that, in most cases, it would be better to concentrate on electronic tagging or community sentences or on what the Home Affairs Select Committee prefers to call "criminal work orders" when dealing with such offenders? That would release resources wherever possible and ensure that those who are imprisoned for short periods receive the rehabilitation and training that will enable them to take up other careers when they leave prison.

Mr. Howarth: My hon. Friend makes a good point in that part of the purpose of a prison sentence is to equip people with skills so that they can lead an honest life when they complete their sentences. That is very important. As to home detention curfews, which have much exercised the minds of Opposition Members, perhaps they should ask the hon. Members for Surrey Heath (Mr. Hawkins), for Aldershot (Mr. Howarth) and for Woking (Mr. Malins) for their views on the matter. They supported the Home Affairs Select Committee, which backed precisely this scheme, so I am sure that there is unanimity in all corners of the House.

Mr. John Greenway (Ryedale): I believe that the answer to the question asked by my hon. Friend the Member for East Worthing and Shoreham (Mr. Loughton) is that, in many cases, six months will indeed mean six weeks. Of the 16,000 prisoners that the Minister mentioned, how many were burglars? How can anyone

have confidence in the Prime Minister's promise of a blitz on burglars when, under the home curfew detention scheme, burglars may be let out on the streets? Or perhaps the Minister will tell us that burglars will not be included. We would love that; we would prefer that the Government implemented section 3 of the Crime (Sentences) Act 1997.

Mr. Howarth: It would be tempting to assume that, instead of being on the brink of being out of office for the next 20 years, Conservative Members had been out of office for the past 20 years. I believe that it has escaped the hon. Gentleman's attention that the arrangements that the previous Conservative Government had in place led to a doubling of crime and to fewer than one in 50 crimes resulting in a conviction. We shall listen to what the hon. Gentleman and his friends say when they can point to a more convincing record of their own; I do not believe that they can.

We are proposing something that we believe will work. It has the support of the Select Committee on Home Affairs, of which at least three of the hon. Gentleman's hon. Friends are members. It is about time that the hon. Gentleman started thinking about these things instead of sounding off about them.

Fire and Police Services (Pensions)

5. **Mr. Geraint Davies** (Croydon, Central): What plans he has to change fire and police service pension arrangements. [53512]

The Parliamentary Under-Secretary of State for the Home Department (Mr. George Howarth): We published consultation documents on the police and fire service pension schemes in March 1998 and will take careful account of the responses that we receive. We shall consult fully on any specific changes that we propose to the pension arrangements for new entrants or to medical retirement procedures.

Mr. Davies: What consideration has my hon. Friend given to those cases of premature retirement due to sickness or ill health where the person subsequently—sometimes immediately—takes up an alternative form of employment?

Mr. Howarth: That is obviously a matter for concern. In each case, one would have to inquire into the nature of the subsequent employment—for example, whether it required a different level of physical activity from the job of being a serving police or fire officer. Obviously, concerns such as those to which my hon. Friend just alluded form part of the considerations that have taken place, and such concerns will be taken into account when we consider the results of the consultation.

Mr. Geoffrey Clifton-Brown (Cotswold): The Minister will be aware that, over the past year, Gloucestershire constabulary has suffered an actual cut in its budget of £1.5 million. That has resulted in the loss of front-line policemen. In no small measure is that due to the increased pension contributions that the Gloucestershire constabulary has had to make, directly as a result of the Government's changes in advance corporation tax relief. What will the Government do to fund those pension contributions fully so that rural areas, in particular, do not suffer a cut in their front-line police and fire services?

Mr. Howarth: First, the settlement that the Gloucestershire police authority received was precisely the one that it would have received, had the Conservative party still been in government.

Regarding the second part of the hon. Gentleman's question, the problem with these schemes is that they are not funded. If they were funded, we would not be in this position. I add that, except for setting up endless reviews into these problems, the previous Government did absolutely nothing about them—indeed, did not even publish the results of their reviews. We have had the courage to publish those reviews, and to consult on them. I suggest that the hon. Gentleman exercises his uncharacteristic patience a little longer, until we find out what is in the reviews and precisely what we propose to do about the matter.

Crime and Disorder

6. **Dr. George Turner** (North-West Norfolk): If he will make a statement on progress in implementing his Department's measures relating to crime and disorder. [53513]

The Secretary of State for the Home Department (Mr. Jack Straw): The Crime and Disorder Act 1998 received Royal Assent on 31 July this year. Of the 121 sections in the Act, 87 have now been brought into force, some of those on a pilot basis. Sex offender orders will come into force on 1 December and anti-social behaviour orders will come into force on 1 April next year.

Considerable effort is being put into publicity about the Act's provisions. That includes a regional tour which I undertook in September, national conferences, written publications and a site on the internet, which I am told is proving very popular. Going around the country, I am struck by the huge enthusiasm shown by the police, local authorities and the public for the provisions of the Act.

Dr. Turner: I assure my right hon. Friend that there is considerable enthusiasm for making a fast start in North-West Norfolk. In the distribution of pilots, will proper attention be paid to the needs of rural constituencies such as mine? If the pilots are to tackle hot spots, may I remind my right hon. Friend that King's Lynn, the market town in my constituency, has 30 per cent. more crime than the average metropolitan area, and twice the county average? Is that not just the sort of problem that the pilots should be tackling? May I assure my constituents that their needs are being considered in my right hon. Friend's Department?

Mr. Straw: I can certainly give that assurance to my hon. Friend. As he knows, I paid an interesting visit to his constituency, looked at some of the problem areas and also spoke to a meeting in King's Lynn on a wet Friday evening, at which 700 good citizens of King's Lynn turned up to hear me—*[Interruption.]*—and they stayed to the end.

With regard to piloting in rural areas, we have sought to distribute the pilots around rural areas, as well as urban areas and inner-city areas. Pilots are taking place on various subjects in Devon, Gloucestershire, Northamptonshire and in north Staffordshire.

Mr. A. J. Beith (Berwick-upon-Tweed): Does the Home Secretary believe that further measures will be needed to deal with offenders who are deemed to be extremely violent because of mental illness or personality disorder, but whom psychiatrists diagnose as not likely to respond to treatment? Is he aware that this concern has arisen not simply following the conviction of Michael Stone for those two brutal and horrible murders, but because there has been a tendency in recent years for psychiatrists to diagnose a number of violent people as not likely to respond to treatment?

Mr. Straw: Yes, I entirely agree with the right hon. Gentleman that there must be changes in law and practice in that area. We are urgently considering the matter with my right hon. and hon. Friends in the Department of Health. Sir Louis Blom-Cooper, who has a distinguished record in this field, said on the radio on Sunday that one of the problems that has arisen is a change in the practice of the psychiatric profession which, 20 years ago, adopted what I would call a common-sense approach to serious and dangerous persistent offenders, but these days goes for a much narrower interpretation of the law. Quite extraordinarily for a medical profession, the psychiatric profession has said that it will take on only patients whom it regards as treatable. If that philosophy applied anywhere else in medicine, no progress would be made in medicine. It is time that the psychiatric profession seriously examined its own practices and tried to modernise them in a way that it has so far failed to do.

Miss Melanie Johnson (Welwyn Hatfield): On Saturday, I was out visiting constituents and met a group of my more elderly constituents who are having problems with minor vandalism in their area, which leads to them feeling unable to use some of their front rooms and concerned about general safety in their neighbourhood. Will my right hon. Friend comment on the role of community police officers under the Crime and Disorder Act 1998 in tackling such community disorder, which is of great concern to people in Welwyn Hatfield?

Mr. Straw: I have spoken to many community beat officers about their frustrations in dealing with criminal anti-social behaviour such as my hon. Friend describes. One of the reasons that we have created in the Crime and Disorder Act 1998 the new injunctive powers for anti-social behaviour orders is to ensure that community beat officers, their commanding officers and superintendents in the operational command units in the police service can seek effective action by the courts to crack down on such behaviour. I believe that, once the order comes into force next April, it will be extremely effective in dealing with such disorder in my hon. Friend's constituency and in every other constituency across the country.

Mr. James Clappison (Hertsmere): The Home Secretary will know that one of the main provisions of the Crime and Disorder Act 1998, which has already come into place, is for local authorities to make child curfew orders. Does the right hon. Gentleman accept that many people find it strange that local child curfews will apply to youngsters under 10 but not to those aged 10 or over, who many of us think are more likely to cause serious trouble on estates and neighbourhoods than the under-10s? Is it a sensible use of police time for the police to have to sort out the under-10s from the over-10s? Will the right hon. Gentleman be as bold as his rhetoric and tell us how many local child curfews he thinks we shall hear about on the internet, in hot spots or anywhere else? Or is the prospect of a wet night in King's Lynn more forbidding?

Mr. Straw: No. Having done one wet night in King's Lynn, I am game for any number of them.

I find it rather odd that, under the Conservative party, which was in power for 18 years, the juvenile justice system was allowed thoroughly to decay. It became worse and worse. When we proposed that there should be trialled area curfews for under-10s, Opposition Front Benchers could come forward only with derision.

Of course I understand that there is a problem, too, with children who are over 10 who are racketing around unsupervised in local areas, but the most serious problem arises in respect of those who are under 10, who are under the age of criminal responsibility. That is why we have introduced a specific power.

As for the over-10s, anti-social behaviour orders will be available for any child. We made it clear when considering the Crime and Disorder Bill in Committee, and I made it clear in Blackpool—another wet evening—only three weeks ago, that if a strong case emerges for raising the age of the curfews we shall, of course, consider it.

Ms Debra Shipley (Stourbridge): Does my right hon. Friend agree with me that sector policing in my constituency, and especially in the Lye area, has been a great success, and that has been due in no small part to the partnerships evolving within the community, with the police reaching out to leaders and to young people and disaffected groups within the community, and liaising directly with them?

Mr. Straw: I accept what my hon. Friend says. There is no doubt that the very good experience of local authorities and of the West Mercia police in my hon. Friend's area shows to other local authorities and police forces, which might not have been in the vanguard, the importance and value of reducing crime and disorder in their areas. This arises from statutory partnerships, which we have established under the Crime and Disorder Act 1998.

Prisoners (Television)

7. **Mr. James Gray** (North Wiltshire): What plans he has to increase the number of televisions available to prisoners. [53514]

The Parliamentary Under-Secretary of State for the Home Department (Mr. George Howarth): We have made arrangements to extend the pilot in-cell television schemes introduced by the previous Administration in the

light of the Woolf report. Televisions will be installed in 80 establishments over the next three months as part of the Prison Service's incentives and earned privileges scheme.

Mr. Gray: I thank the Minister for that answer, although the House and the country will be disturbed to hear it. Does the Minister agree that television in cells should be earned as a privilege as a result of good behaviour and should not be provided as of right? Will the hon. Gentleman tell the House how much the new scheme is costing? Would it be better to use the money not for in-cell television but for out-of-cell activities such as education and training?

Mr. Howarth: I think that the hon. Gentleman does not understand the scheme. The answer to the second part of his question is that the scheme will be broadly self-financing. Prisoners will be expected to pay towards the cost of the televisions.

As for the first part of the hon. Gentleman's question, the scheme was advocated by Lord Justice Woolf and it was piloted under at least three Home Secretaries under a Conservative Government. Indeed, they did not see any reason to suspend those pilots, and we have taken that process to its logical conclusion.

I wonder whether the hon. Gentleman would agree with the hon. Member for Ryedale (Mr. Greenway), who sits on the Opposition Front Bench? On 27 March 1997, the hon. Gentleman said:

"What we are saying is that television cells should not be an automatic right but should be something earned by good behaviour."

That is precisely what we are doing, so perhaps the hon. Member for North Wiltshire (Mr. Gray) thinks that it is a sensible scheme after all.

Police (Communications)

8. **Mr. Hugh Bayley** (City of York): What assistance his Department is giving to enable police forces to acquire new communications systems. [53515]

The Parliamentary Under-Secretary of State for the Home Department (Kate Hoey): The Police Information Technology Organisation, a Home Office non-departmental public body, is managing the public safety radio communications project. This is a major public-private partnership project designed to replace the police service's existing radiocommunications infrastructure with a modern one.

PITO is also working with the police service to implement an enhanced police national network to modernise telecommunications.

Mr. Bayley: May I congratulate my hon. Friend on her appointment as a Minister and welcome her to her place on the Front Bench? Is she aware that the police radios currently in use in North Yorkshire do not communicate with many parts of the county—not just isolated valleys in the dales and moors, but stores in the centre of York? Does she realise that North Yorkshire police urgently need new radios? Will she either consider extending to North Yorkshire the trial for the public safety radio communications project in Lancashire, or make some other proposal to speed up the purchase of new radios for North Yorkshire?

Kate Hoey: I thank my hon. Friend for his congratulations. We all recognise the difficulties that North Yorkshire police have with their current radio system, which is why the force is scheduled to be among the first to be provided with the new service.

Mr. Peter Viggers (Gosport): Are the present communications systems sufficient to enable the Home Office to maintain contact with the Chilean aircraft waiting at RAF Brize Norton?

Kate Hoey: I am sure that, if it wished to, it could.

Mr. Bill O'Brien (Normanton): Will my hon. Friend assure the House that the police will have the resources necessary to ensure that they have proper communications equipment? Earlier this year, I had cause to write to the Home Secretary about the position in West Yorkshire. Because of the change in the valuation of the band D rating, the West Yorkshire coffers contained £6 million less than had been budgeted for. It is essential that police forces, particularly West Yorkshire, are assured of the resources necessary to purchase equipment to combat crime in the county.

Kate Hoey: My hon. Friend will be aware that the additional funding available to police in England and Wales in the next three years should be sufficient, given efficiency improvements and the reinvestment of savings, to help meet extra spending pressures that may arise.

New Deal

10. **Mr. John Healey** (Wentworth): What steps his Department is taking *(a)* to recruit young unemployed people under the new deal and *(b)* to encourage agencies for which the Department is responsible and suppliers to the Department to do the same. [53517]

The Parliamentary Under-Secretary of State for the Home Department (Mr. George Howarth): The Home Office formally signed up to the new deal programme on 18 September and, with its agencies, is actively seeking to employ new deal participants. We cannot answer for the employment practices of independent suppliers, but we hope that, like other employers, they will participate in the new deal.

The Secretary of State, ministerial colleagues and I stand ready to take on new deal applicants in our private offices. We hope that that sends out a strong signal to other parts of the Home Office and its agencies.

Mr. Healey: The formal new deal commitment is encouraging, as is the advertising of specific vacancies on the Floor of the House. I look forward to the near future when the Department will take on new deal recruits. Does my hon. Friend agree that the opportunity to work can be crucial in helping youngsters to break out of a life of crime? What steps is the Department taking to ensure that such young people have access to the new deal?

Mr. Howarth: I thank my hon. Friend for the first part of his question, and agree entirely with the point that he makes in the second part. The probation service, the Prison Service and others are well linked into the new deal. If young people are to avoid a life of crime, it is important that they have gainful employment,

proper training and access to proper education. That is an integral part of our strategy for dealing with young offenders and those who may become young offenders. It is vital that we all accept the importance of that.

Mr. Nigel Evans (Ribble Valley): Will the Minister do all that he can to encourage young unemployed people not only to go through the new deal, perhaps into the police force—I should be interested in what he has to say about any applications—but to go into the specials? He will know of the tremendous contribution that the specials make towards our police force throughout the country. Will he encourage young unemployed people to offer the spare time that they obviously have, to give back their commitment and contribution to society through the specials? They might also gain some of the training and sense of civic responsibility which would help them to get into full-time employment elsewhere.

Mr. Howarth: I thank the hon. Gentleman for that constructive question. In respect of the police and the fire service, consideration has been given to whether the special constables and retained firefighters could be a route by which the new deal could travel. Discussions are on-going. The hon. Gentleman's point is well made, and I shall consider it further.

Closed Circuit Television

11. **Mr. Keith Vaz** (Leicester, East): What plans he has to make closed circuit television more widely available. [53518]

The Minister of State, Home Office (Mr. Alun Michael): We shall be funding 175 closed circuit television schemes this financial year. By the end of March, more than 580 schemes will have benefited from the successive rounds of the challenge competitions. We will certainly encourage the lessons from those schemes to be applied to problems elsewhere.

Mr. Vaz: May I welcome the Government's commitment to the extension of CCTV and invite the Minister to visit my constituency to compare two estates: Northfields, which was visited by the Home Secretary last year, where there has been a massive reduction in crime because of CCTV; and Thurnby Lodge, where there is tremendous demand from local people for such services? Does my hon. Friend agree that this is one area of policy that can foster, in a most dramatic way, public and private partnerships?

Mr. Michael: My hon. Friend failed to mention that it was raining when my right hon. Friend visited that estate. We have to be careful in relation to cause and effect: was it the CCTV or the visit of my right hon. Friend that led to the reduction in crime? To come to my hon. Friend's serious point, I should of course be happy to consider the comparison with him. It is important that, where success has been gained, it is learned from in other areas. The police, the local authority and the private sector in the area should look at opportunities to transfer the lessons learned in one place by considering financing schemes in the other estate.

Mr. Edward Garnier (Harborough): On his way to Leicester, East, will the Minister please call in at Market Harborough, where he will find that, thanks to the Conservative Government, a good CCTV scheme is in action which has already directly caused a reduction in crime in that town? On his way from Market Harborough to Leicester, East, will he call in on the borough of Oadby and Wigston, which is run by the Liberal Democrats? Despite my encouragements—and, no doubt, encouragements from his right hon. and hon. Friends—the inane Liberal Democrat council refuses to apply to the Home Office for funding for CCTV, which is greatly needed. Will he make a point, even if he does not come to Market Harborough or to Leicester, of going to Oadby and Wigston and shaking that council?

Mr. Michael: If we allow these questions to go on much longer, I shall be making a tour of the whole country.

The hon. and learned Gentleman makes his point; may I make a serious one? CCTV is at its most effective when it is linked in with other measures to cut crime. The partnership approach, which my right hon. Friend has introduced in the Crime and Disorder Act 1998, will give the context for the reduction of crime in every area and consideration of whether CCTV is appropriate to fit in with that local partnership approach. It is appropriate for all areas to consider that point. The answer may be local, based on the local facts of crime.

Gordon Warren Case

12. **Mr. Tom Brake** (Carshalton and Wallington): If he will make a statement on the Home Office and Metropolitan police's policy towards the Gordon Warren case. [53519]

The Parliamentary Under-Secretary of State for the Home Department (Kate Hoey): This case is essentially a personnel issue for the Metropolitan police. As police authority, we have approved the ex-gratia payment of £85,000 which is on offer to Mr. Warren. I believe that this figure represents a fair settlement to Mr. Warren. We all agree that he was unfairly treated and unlawfully retired from the Metropolitan police.

Mr. Brake: I thank the Minister for that response. Attempts began in 1982 to get Mr. Warren retired from the police force on mental health grounds because he refused to go to a blue movies party that was organised during staff time. Those attempts continued for five years. Attempts were also made to get him to retire on ill-health grounds, on the basis of an ailment that he did not suffer.

Madam Speaker: A question, please.

Mr. Brake: Does the Minister agree that £85,000 for 16 years of suffering at the hands of the Metropolitan police—to cover his legal costs, and the loss of his salary and pension rights—is a derisory sum? Does she also agree that she needs to act now to ensure that this matter is resolved to the satisfaction of Mr. Warren without further prevarication or procrastination?

Kate Hoey: I agree with the hon. Gentleman that this case has taken a long time. I believe that the settlement

of £85,000 is fair and reasonable. If that is finally agreed, there will be an independent assessment of the sum once the other elements of the settlement package are agreed.

Police Spending

13. **Mr. John Randall** (Uxbridge): By how much in real terms police spending will increase in each of the next three years. [53520]

The Minister of State, Home Office (Mr. Alun Michael): The outcome of the comprehensive spending review for the Home Office provides for a real-terms year-on-year increase in police funding of £3 million in 1999–2000, £23 million in 2000–01 and £107 million in 2001–02. In actual terms, that represents a total of £1.24 billion over the three-year period.

Mr. Randall: I thank the Minister for his reply. What guarantees can the Minister offer outer-London boroughs that they will get their fair share of any increases?

Mr. Michael: The whole point of the needs-based system, which was introduced by the previous Government, is to ensure that the allocation to police forces is based on need rather than on whim, on what has gone before or on any other criteria. Some outer-London areas will be affected by boundary changes. I met the representative of the outer-London police committee last week to discuss the issues. We shall make every effort to be fair to every part of the police service, and to take account of the effect of the changes on individual forces, particularly the three that will be affected by the boundary changes.

Angela Smith (Basildon): Does the Minister agree that, although the increased funding is greatly welcomed across the country, serious issues of inefficiency in the police force still have to be tackled to ensure that we have the best use of existing and new resources? What action will he take to ensure that we see such greater efficiency?

Mr. Michael: My hon. Friend is right. I agree with the remarks of the Chairman of the Public Accounts Committee, who said that there is an enormous variation in the performance of police forces, and that it is extraordinarily difficult to hold anyone publicly accountable. Senior police officers and police authorities now recognise this problem. We shall do all that we can to encourage the most efficient use of the resources available to the police service.

Sir Norman Fowler (Sutton Coldfield): Does the Minister agree that, under the last Conservative Government, the strength of the police service increased by 15,000, and spending in real terms went up by 70 per cent? Does he expect there to be more police or less police at the end of his period of office?

Mr. Michael: I must correct the right hon. Gentleman in both fact and grammar. If there were any reduction, there would be fewer, not less, police. His political inexactitude is as great. Between 1992 and 1997, the number of police officers went down, despite the fact that the Government whom he supported promised an increase of 2,000. They failed to deliver what they promised.

Sir Norman Fowler: Let me correct the Minister on the facts. Does he deny that, over the period of the last Conservative Government, police numbers went up by 15,000? Is it not a fact that the Police Federation, the Police Superintendents Association and chief constables all see the inevitable result of his policies as smaller police forces? How can the Prime Minister boast of zero tolerance policing at the same time as police numbers are falling?

Mr. Michael: It is all right to get artificially angry, but the right hon. Gentleman should look at the remarks of Lord Baker, a former Home Secretary, who said:

"There was impatience, if not anger, that although we"—

the Conservative Government—

"had spent 87 per cent. more in real terms, and had increased police numbers by 27,000, there had still been a substantial rise in crime. 'Where is the value for money' asked my colleagues?"

The previous Government managed to more than double crime—they put resources into policing and did little about efficiency.

Police Dog Handlers

14. **Mr. Gordon Prentice** (Pendle): What criteria are used to determine the employment of a police officer as a dog handler. [53521]

The Parliamentary Under-Secretary of State for the Home Department (Kate Hoey): It is the responsibility of each chief officer of police to determine the criteria for the selection of police dog handlers.

In July 1996, the Home Office issued a manual identifying best practice and offering guidance on the training and care of police dogs. The manual includes a section on the selection criteria for handlers. A copy has been placed in the Library.

Mr. Prentice: How did that Home Office manual help WPC Thomas, who desperately wanted to become a dog handler but could not lift an 80 lb weight above her head, as was required, and could do only nine of the 23 press-ups that were required? Surely such tests are ludicrous: they tell us nothing about a woman's capability to control a dog.

Only this morning, I was speaking to my researcher, Ruth Wilkinson. She has an enormous great dog, and controls it just by looking at it.

Kate Hoey: My hon. Friend is right. The case of WPC Michelle Thomas ensured that the Metropolitan police accepted that the test did not conform to best practice, and it was withdrawn as soon as concern was expressed. We are clear about the fact that there should be no artificial barriers, and that each job should involve standards that are equal for men and women.

Mr. Alan Clark (Kensington and Chelsea): Would the hon. Lady like to tell the House about her attitude, and her Department's attitude, to the implementation of those guidelines by Essex police? Will she admit that the conduct of Essex police—the brutality with which they conduct their exercises—has lowered the esteem in which the police are held in general, as well as prompting disgust and a general loss of confidence in the Essex force?

Kate Hoey: The right hon. Gentleman is clearly referring to a case on which the Home Office cannot

possibly comment in any detail until the court action is over. Obviously, we would never condone cruelty to dogs, and, once the court case is finished, we will work with the police to make any necessary changes in training standards.

Police (Retirement)

15. **Mr. Alan W. Williams** (East Carmarthen and Dinefwr): What percentage of police officers currently retire aged *(a)* under 55, *(b)* 55 to 60 and *(c)* 60 to 65 years. [53523]

The Minister of State, Home Office (Mr. Alun Michael): The most recent study examined police officers who left forces in the United Kingdom in 1991, through ordinary retirement, medical retirement or resignation. According to that study, 86.1 per cent. of officers who retired in 1991 were under 55; 13.5 per cent. were between 55 and 60; and 0.4 per cent. were between 61 and 65. Those figures include both ordinary and medical retirements.

Mr. Williams: We all sympathise with anyone who has to retire early for health reasons, but does my hon. Friend agree that there is far too much early retirement in British society, among teachers, local government officers and, certainly, the police? We are losing people with experience and valuable skills. In the current consultation exercise, will my hon. Friend specifically state that he would like the proportion of early retirements to be reduced?

Mr. Michael: My hon. Friend has made some good points. In the case of early and ill-health retirement, the burden falls on the finances available for policing generally, because this is not a funded scheme.

Policing can be dangerous. It involves shift working in all weathers, often featuring high levels of stress and physical activity. There are reasons for the large number of early retirements; but the variations in the proportion of, in particular, ill-health retirements across the country show no correlation with the size and nature of the force. There are serious questions about the quality of management in some police forces, and we shall be considering them continually over the coming years.

Mr. John Bercow (Buckingham): Does the Minister agree that no police officer, of whatever age, who is under criminal investigation should be allowed to retire from the force on grounds of ill health and still claim a full pension?

Mr. Michael: The hon. Gentleman is right. In the past, it has sometimes been too easy to make such a back door available. We must be careful to look at the precise circumstances of any individual application, but, in general, the management of such issues, and the way in which complaints and disciplinary matters are dealt with, needs to be much speedier and more concentrated.

Asylum Seekers

16. **Mr. Jeremy Corbyn** (Islington, North): How many asylum seekers are currently detained under immigration laws. [53524]

The Parliamentary Under-Secretary of State for the Home Department (Mr. Mike O'Brien): As at 30 September 1998, the most recent date for which information is available, a total of 760 persons who had sought asylum at any time were recorded as being detained solely under Immigration Act 1988 powers. No one is detained merely because he or she is an asylum seeker. Many of the detainees are asylum seekers who have been through the process and have been refused; they are being held for removal. No one recognised as a refugee under the United Nations convention is detained.

Mr. Corbyn: Does the Minister agree that that is a very large figure—much larger than that of most European countries for people in detention under immigration law? Will he take a serious look at the conditions under which many people are held, the state of depression that many of them are suffering and the lack of adequate medical facilities that many of them experience while in detention? Does he not think that this is an expensive and ineffective way in which to assist people, many of whom are deeply traumatised by the experience of seeking asylum in the first place?

Mr. O'Brien: Her Majesty's chief inspector of prisons has done a number of reports on detention. Following the publication of the White Paper in July, the Government said that they would introduce an element of judicial oversight to detention decisions in the form of an automatic bail hearing within a week of initial detention, followed by a second hearing for those not granted bail at the first. Detainees will also be given written reasons for their detention.

Following the reports into detention centres by the inspector, examinations and improvements are taking place in detention centres to ensure that those detainees who, regrettably, do have to be held are held in conditions that are satisfactory.

Sir Norman Fowler (Sutton Coldfield): On that White Paper, will the Minister guarantee that, in relation to the 30,000 applicants being considered under the special schemes that were announced by the Home Secretary, only genuine political refugees will be granted permission to stay in this country?

Mr. O'Brien: The previous Government left tens of thousands of asylum seekers in a backlog for six or more years, many of them on benefit, without the Home Office taking a decision on whether they were refugees. The Tory record was shameful. We are now clearly trying to tidy up the mess that we inherited from the Tories. The Government are opposed to any amnesty—it would be a reward for law breakers. Instead, we have set up two units to consider exceptional leave to remain for the 10,000 in the backlog from before 1993, whose cases have been denied justice through delay, and the 20,000 cases between 1993 and 1995. None of them has ever had his or her asylum case rejected. There is no amnesty. We will process those cases quickly and then consider the post-1995 asylum cases. Instead of scoring mere party political points, perhaps the right hon. Gentleman would apologise for his Government's shameful failure to deal with those issues.

Mr. David Winnick (Walsall, North): Is it not important that asylum seekers who have suffered

degrading treatment and torture should receive priority—people such as those who suffered terrible tortures day after day in Chile under Pinochet? Is it not interesting that, today and on previous days, Tory politicians have shown far more sympathy for Pinochet than for his many victims? Does that not say a lot about the modern Tory party?

Mr. O'Brien: The modern Tory party is a matter of great concern to many members of the modern Tory party, never mind hon. Members. I suspect that Conservative Members have all sorts of views on all sorts of issues, including Mr. Pinochet.

Metropolitan Police

18. **Dr. Vincent Cable** (Twickenham): What plans he has to provide additional resources to the Metropolitan police. [53526]

The Parliamentary Under-Secretary of State for the Home Department (Kate Hoey): No final decisions have been taken about the allocation of funding to the Metropolitan police or other forces for 1999–2000. We expect to announce provisional allocations towards the end of this year.

Dr. Cable: Will the Minister acknowledge that there are extreme recruitment difficulties in the Metropolitan police, in large part because, on current salaries, young police officers simply cannot afford to pay the cost of housing? Will she explain what response she has given to the approaches of the Commissioner of Police of the Metropolis to deal specifically with that problem?

Kate Hoey: That particular problem is always under consideration and will be examined very carefully when we consider the settlement for the coming year.

Mr. Crispin Blunt (Reigate): Following the very welcome proposal and initiative to align the Metropolitan police boundaries with those of the Greater London Authority, what formula does the Minister expect to use to govern the transfer of resources from the Metropolitan police to the constabularies—including Surrey's—that will be affected? Will the formula be made public after it is determined by the Government?

Kate Hoey: That matter, too, is being considered very carefully. The boundary changes will lead to some redistribution of resources, and the matter is being examined carefully and discussed with all the affected police forces. Allocation of police grant will be based on a formula reflecting the relative policing needs of different areas.

Child Prostitution

20. **Ms Beverley Hughes** (Stretford and Urmston): What action he is taking to prevent child prostitution and to assist those young people already drawn into prostitution. [53528]

The Minister of State, Home Office (Mr. Alun Michael): In the past, child prostitution has often been tolerated or ignored. This Government are making it clear that child prostitution must be dealt with as a vicious and sordid part of the abuse of children, which is a continuing national disgrace. New guidance to be issued by the Department of Health and the Home Office will stress the need to use the full weight of the criminal law against those who abuse children and the pimps who profit from that abuse.

Ms Hughes: I thank my hon. Friend for his reply. Many people think it incredible that so many children and young people have been allowed to live on the streets of so many of our cities and will welcome his assurance that the Government will deal with that situation. Will he assure the House that the full weight of the criminal law will be speedily and fully brought to bear on those who are exploiting children and young people for sex and for money, so that they are not only deterred but convicted?

Mr. Michael: I take my hon. Friend's point very much to heart. We very much want to make it more possible for children, and other vulnerable witnesses, to give their best evidence in court, to secure the prosecutions that she mentioned. For far too long, it has been possible for people to turn their eyes from that type of abuse at home and abroad. Earlier this month, we hosted a conference of European and Asian countries, at which I was able to announce the Government's intention to follow the recommendations of the Stockholm conference by formulating a national plan to combat child abuse. Several of the building blocks of that plan are now in place.

Points of Order

3.32 pm

Mr. Michael Howard (Folkestone and Hythe): On a point of order, Madam Speaker. Have the Government told you whether they intend to make a statement either on the current crisis—with all its attendant confusion—in our relations with Chile or on the outcome of the European summit in Austria? The Government are reported to have agreed at that meeting to a massive spending increase, to the harmonisation of taxes and to the integration of Europe's defences. However, there has been no communiqué and no press release on those agreements. Is not the House entitled to some information about what went on in Austria this weekend? Is it not a disgrace that Parliament is once again being treated with utter contempt by the Government?

Madam Speaker: I have not been informed by the Government that they are seeking at this stage to make a statement on either of those issues. As we shall today have a debate on the economy, perhaps the right hon. and learned Gentleman will ask some of his questions during that debate—on which we are about to embark.

Mr. David Winnick (Walsall, North): Further to that point of order, Madam Speaker.

Madam Speaker: No, I shall take no further points of order on that matter. I have dealt with it.

Mr. Andrew Stunell (Hazel Grove): On a point of order, Madam Speaker. This morning, the Department of the Environment, Transport and the Regions held a press conference at which it launched the important document on the response to climate change. However, there is not to be a statement on that response. I attempted to make arrangements for a member of our press department to attend the conference but was told that only journalists could attend. Therefore, not only will a statement not be made to the House, but we were not able to attend the conference to listen to the document being launched. Could we have your ruling and views on the matter, Madam Speaker?

Madam Speaker: Yes, certainly. Although it is not for me to decide who is invited to press conferences, I can tell the hon. Gentleman that a written question on the matter was answered on Thursday, stating that the document was a consultative one—which is absolutely correct—and that it would be available in the Vote Office today. It is in the Vote Office today. I am quite satisfied that the Department has carried out all the correct procedures in dealing with a document that has the status of a consultation document.

BUSINESS OF THE HOUSE

Ordered,

That, at this day's sitting, paragraph (2) of Standing Order No. 31 (Questions on amendments) shall apply to proceedings on the Motions in the name of Mr. Paddy Ashdown as if this day were one of the Opposition Days allotted under paragraph (2) of Standing Order No. 14 (Arrangement of public business).—*[Mr. Hall.]*

Economy

Madam Speaker: I must inform the House that I have selected the amendment in the name of the Prime Minister.

3.34 pm

Mr. Malcolm Bruce (Gordon): I beg to move,

That this House notes that the macro-economic policies of this Government have led to an uncompetitive and unstable pound, high real short-term interest rates and an unbalanced economy, that as a consequence of these problems, and the recent global economic slowdown, economic growth forecasts for the UK for 1999 are being revised downwards and unemployment forecasts are being revised upwards, that jobs in manufacturing industry are already being lost at the rate of over 300 per day and that agricultural employment is also declining sharply; and calls upon the Chancellor of the Exchequer to resist pressures and temptations to compromise the operational independence of the Bank of England, recognise the role of fiscal policy in stabilising economic growth in order to avoid excessive reliance on interest rates for such a purpose, make an early Declaration of Intent of the Government's commitment to join the European Single Currency, agree and establish a joint Six-Monthly Report on Convergence by the Treasury and the Bank of England to the Treasury Committee, take further actions to tackle skills shortages, and maintain the recent plans for additional investment in key public services such as the NHS and schools.

I begin by warmly welcoming the Chief Secretary and the Economic Secretary to their new responsibilities. The House is looking forward to the debate and to what they have to say. However, I hope that they will not take it badly or personally if I say that many of us would have preferred it had the Chancellor himself been able to appear before the House. He is, after all, the Chancellor who has given some five Budget-type statements in less than 18 months and who seems to have spent the entire summer travelling around the world, making statements to anyone, anywhere, who would listen to his solution to the world's economic problems. He has lost no opportunity to explain the need to bring down interest rates, apparently unabashed by the fact that he is the Finance Minister of the country that has the highest real interest rates in the western world. Nevertheless, we look forward to the participation, for the first time, of the two newly appointed Ministers.

It is three months since the House had an economic debate. They have been three months of turbulence and uncertainty during which the global financial markets have been in turmoil and our economy has been suffering. Today, many people risk losing, or are losing, their livelihood and their income. They are looking not for excuses from the Government and not just for opportunistic soundbites masquerading as strategy from the official Opposition, but for answers from, and action by, the Government.

Economic commentators are debating whether our economy will grow by 2, 1 or 0 per cent. next year. Whatever the academic theory, we are experiencing serious economic problems in our manufacturing and farming industries.

Maria Eagle (Liverpool, Garston): I am grateful to the hon. Gentleman for giving way so early in his contribution. Has he seen the figures published at the weekend by the Office for National Statistics, which show that all sectors of the economy, including manufacturing industry, grew more than expected in the third quarter?

Mr. Bruce: The hon. Lady is right to say that the overall economy is not in recession. We do not wish to

[Mr. Bruce]

have a recession and are trying to ensure that the Government deal with the existing difficulties in manufacturing and farming in order to ensure that the economy does not move into recession. The people who have lost their jobs, or who face the threat of losing their jobs today or next week, will not be impressed by complacent general statistics. The reality is that, in net terms, we are losing 300 manufacturing jobs a day. The farming industry faces a 50 per cent. drop in incomes, and employment is declining rapidly, too.

I represent a rural constituency in north-east Scotland that is dependent on the oil industry and is suffering from the lowest oil prices since North sea oil exploration began. It is also dependent on a paper industry that is struggling with the consequences of the exchange rate, and on a farming industry devastated by the consequences of bovine spongiform encephalopathy, the collapse of the pig market, poor sheep prices and a poor harvest with depressed grain prices. Whatever is happening to the economy in general, the Government must deal with the problems facing those sectors.

In private, the Government seem to recognise the problems. A report in this week's *Sunday Business* quoted a "frank" Treasury source as saying:

"Gordon's view"—

clearly, the source is someone very close to the Chancellor—

"is that the Tories have got the attack on us wrong. They are hitting us on . . . the public finances . . . but if they were brighter they would talk about the economy, where we are arguably on shakier ground."

It is absolutely true that the Government are on shakier ground with regard to the economy, and we Liberal Democrats intend to talk about the economy.

Instead of addressing the economic problems that we face, the Chancellor has been attempting to play the blame game. He has argued that our economic problems can be blamed on the world economic slowdown and on incompetent and unproductive businesses and workers. Nobody but a fool would argue that the problems in some developing countries will have no effect on our exporters, but the Chancellor is seriously exaggerating those effects so far.

We should consider that 75 per cent. of our exports go to western Europe and north American where there is no recession and where growth in the past year has been quite robust. The United Kingdom exports more to the Netherlands each year than to Russia, Japan, Hong Kong, South Korea, Thailand, Indonesia, Malaysia, Brazil and Argentina together. So let us address the reality and not the theory.

What about the Government's second favourite target—low productivity? We have had many debates on the subject and we all know that productivity in British industry has been a problem for years. However, a sudden change in productivity does not explain the present difficulties in manufacturing industry and farming. Nobody is suggesting that productivity should not be addressed, but it is not a sudden problem that has caused job losses.

The Government recently had the unpleasant experience of discovering that economic statistics are sometimes seriously inaccurate. There were substantial revisions to the earnings data and the inaccuracies in those earnings data arguably led to an unnecessary increase in interest rates. Will the Chief Secretary address the following question? Given the work recently carried out by economists at the London business school arguing that manufacturing productivity has recently been significantly understated, will the Government undertake to establish an inquiry into whether the productivity figures on which they are basing their analysis are accurate? It is important that, before they consider spending public money on programmes to address the problem, they are sure that they have the correct analysis. My hon. Friend the Member for Kingston and Surbiton (Mr. Davey) will return to that later in the debate.

The causes of our present economic problems are not a mystery. They are clearly and simply an uncompetitive and unstable pound and high real interest rates. The pound rose by 37 per cent. against the deutschmark from peak to trough between 1996 and 1998. The Library has calculated that, in real terms, the pound was higher against the deutschmark in the first half of 1998 than at any time since 1985, including during the 1990 recession, when we were in the exchange rate mechanism.

Mr. Dennis Skinner (Bolsover): It has gone down.

Mr. Bruce: As the hon. Gentleman says from a sedentary position, it has gone down but, despite the recent fall in the pound, we are only back to the 1990 level against the deutschmark and are probably about 20 pfennigs above a fair and sustainable value.

We are also suffering from real short-term interest rates that are the highest in western Europe. Although our nominal interest rates seem relatively low, that is the consequence of low inflation. Our real interest rate—the rate that people are paying on the base rate today—is 5 per cent. and that is higher than the 2 per cent. experienced during the 1990 recession and the 2 per cent. that now prevails across the euro-zone. Therefore, the two problems of high interest rates and a high exchange rate are intimately connected.

Mr. Geraint Davies (Croydon, Central): Does the hon. Gentleman accept that the reason why the exchange rate has been so high—it is now lower than when we came to office—is the international confidence in the management of the British economy? In an uncertain world with problems in Asia and indeed in Europe and elsewhere, the only way to bring down the exchange rate would be to bring about a complete loss of confidence in the British economy by voting in the Liberals.

Mr. Bruce: The hon. Gentleman was obviously so eager to intervene that he did not listen to a word I was saying. I was about to suggest that a 5 per cent. real interest rate against a 2 per cent. real interest rate was an incentive to hold sterling and is the reason why, in the short term, sterling's value has been forced up. If the hon. Gentleman does not believe that, he knows nothing about international financial markets and, as he claims to support the Government, perhaps they should be wary of that kind of support.

Labour cannot pass the buck on the current high exchange rates and high interest rates, because they are the consequence of Government economic policies.

They did too little to cool the consumer sector and have created a seriously unbalanced economy in which the means of slowing growth—the high pound and interest rates—are bearing down on those sectors that least need restraining.

Mr. Davies *rose—*

Maria Eagle *rose—*

Mr. Bruce: I have already given way to both hon. Members.

The Chancellor is not now acknowledging the problem. He has got his acolytes to come along today and has not turned up himself. However, he acknowledged the problem publicly in his first Budget. He said:

"Britain cannot afford a recurrence of the all-too-familiar pattern of previous recoveries"

He went on to explain:

"there is now an imbalance between strong growth in the consumer and service sector and weak growth in the manufacturing and exporting sector. . . My goal, therefore, is to ease inflationary pressures without damage to industrial and exporting prospects. . . . In this way, we can moderate the upward pressure on interest rates and on the exchange rate".—[*Official Report*, 2 July 1997; Vol. 297, c. 304-05.]

The Chancellor had the analysis right. He had the right diagnosis, but prescribed the wrong cure—extra taxes on businesses and savers. As a consequence, the pound rose to a new high within days and interest rates went up again. I should hate to have the Chancellor as my surgeon, because he acts as though, if he treated someone with a hernia, he would give that person a heart bypass.

The imbalance in the economy, which the Chancellor analysed correctly, has got worse. It was exacerbated by the decision to go on dithering on the single currency and to rule out membership in this Parliament. The Chancellor has talked tough about ending boom and bust—he talks of little else. He has done many good things that we have supported, such as giving operational independence to the Bank of England.

Mr. Skinner: I do not agree with that.

Mr. Bruce: Sometimes constructive opposition crosses the Floor.

However, the Chancellor has failed to address the instability created for our economy and for our exporters by a high and volatile pound—it has been up and down and nobody knows where it is going to settle—and by high real interest rates. The failure to address our economic problems, combined with a deteriorating global economy, threatens growth prospects next year. No doubt we shall hear evidence of that in the Chancellor's statement in the next week or so. It is clear that the Chancellor will have to revise his borrowing forecasts upwards when he presents his pre-Budget report next week.

However, we should keep matters in perspective. Our objective ought to be avoiding recession. Labour Members should agree with that. Last week's gross domestic product figures show that the economy, particularly the service sector, is continuing to grow. I acknowledge the points that have been made in interventions on that. Inflation is low and we have a tight inflation target. We support that. It should be possible to ease monetary policy and to lean against recessionary forces. That is common ground.

Recessions usually occur when high inflation prevents policy from being eased in that way, so there are optimistic signs. Growth this year is likely to come in above the Chancellor's most recent forecast, leading to lower-than-expected borrowing this year. With a moderate slowdown in growth, all the signs are that the golden rule could still be met.

The key for the public finances—before Labour Members get too complacent—is to avoid an outright recession and to rebalance the economy. If we fail to do that, the golden rule could come under pressure.

Mr. John Bercow (Buckingham): The hon. Gentleman is weaving a tangled web for himself. He referred fleetingly to the effect of additional business taxation, but then regrettably changed the subject almost immediately. Given that the Liberal Democrat motion refers—cryptically and, I fear, euphemistically—to the role of fiscal policy in stabilising economic growth, will the hon. Gentleman tell the House by how much he would like to increase taxation, above the increases for which the Government have already provided, over the course of this Parliament?

Mr. Bruce: I shall certainly deal with that—if the hon. Gentleman will allow me—in the appropriate context.

There is no room for complacency because, general recession or not, there are already serious problems in manufacturing and farming, as I have described. It is not overstating the case to say that there is a crisis in those sectors. If the economy suffers a full-blown recession, they will bear the brunt of the losses. Manufacturing is already losing more than 300 jobs net a day. Leading indicators of industrial prospects suggest that things will get very much worse next year.

We face a serious recession in manufacturing. The House of Commons Library forecasts that that will destroy 420,000 jobs over two years. That is very similar to the prediction made only today by Ernst and Young of 500,000 job losses. Ernst and Young identify the problem as the

"fundamental mismatch between monetary and fiscal policy . . . which has led to unnaturally high interest rates unfairly penalising manufacturers at the expense of booming service industries."

The forecasted job losses would reduce manufacturing employment—this is a startling figure—to levels not seen in Britain for 150 years. *[Interruption.]* I am astonished that Labour Members think that that is funny. The forecasted job losses would mean cutting into industrial muscle, not just fat; this is not just a shake-out. My hon. Friend the Member for Ross, Skye and Inverness, West (Mr. Kennedy) will speak later about the situation in farming, which is perhaps even more serious. If job losses continue at the recent rate, more than 50,000 more farming jobs will be gone before the end of the century. Job losses in the two sectors alone could amount to more than 500,000. That is why we need action.

What should we do? In taking account of the intervention of the hon. Member for Buckingham (Mr. Bercow), I would prefer to resist the temptation to pay too much attention to the official Opposition's pronouncements on those matters. What an utter shambles

[Mr. Bruce]

they have become. [HON. MEMBERS: "Hear, hear."] At least I have some support from those on the Labour Benches. The official Opposition have had 18 months to think of something to say, but they are still clueless. They cannot even decide who should set interest rates—let alone at what level they should be set. They blame recession on a minimum wage and spending rises without appearing to realise that such policies have not even been implemented yet. They accuse the Government of profligacy yet, in power, they increased current spending at twice the rate that this Government have planned. Indeed, the Chancellor of the Exchequer is boasting of the fact that he is holding down spending more than the Tories ever did. The Tories say that they would cut spending in general, and pledge only to raise it in the particular.

The Tories accuse the Government of fiscal laxity yet, according to the House of Commons Library, they broke the golden rule by an absolutely staggering £147.7 billion in the previous Parliament alone. They have in fact just one economic policy: to be twice as undecided as the Government on the single currency. That is not any kind of alternative. The shadow Treasury team sounds like the only group of politicians that could be trusted to make an even bigger mess of the Indonesian economy.

Our alternative would be to focus on four key areas. *[Interruption.]* I say to Labour Members that, however much I believe in the long term, the crisis is now and action is required today. First, my hon. Friend the Member for Ross, Skye and Inverness, West, who will be called later to move the second motion, will set out in some detail proposed help for the farming industry. Secondly, we need a strategy to bring down interest rates, and that does not mean bullying the Bank of England—something that Bank officials who were quoted in the *Financial Times* on 7 October suggested took place before the previous Monetary Policy Committee meeting. Nor should that be achieved by reversing the operational independence of the Bank. To bring down interest rates, we need to ensure that fiscal policy helps, rather than hinders, the process of cutting interest rates. It would be far better if the next Budget were followed by lower interest rates than if it contained lower consumer taxes. If that means delaying the much-trailed 10p tax rate, so be it.

The third priority must be an early commitment to single currency membership. Anticipating the arguments that I already hear from Conservative Members, I ask hon. Members to consider the article in today's *Financial Times*, which says that the car industry warns of a bleak future if the United Kingdom fails to join the European single currency. That almost exactly echoes the words said by the President of the Board of Trade only a week last Sunday.

A strategy to cut interest rates would mean a strategy to bring them down to the European level of 3 per cent. That is one of the reasons why we have argued for the establishment of a joint report on convergence by the Treasury and the Bank of England, to be presented twice a year to the Select Committee on the Treasury. Such an explicit process would lead to a more deliberate policy of harmonising fiscal and monetary policy and a strategy of reducing our interest rates. Surely, both would be good for business and exports.

Helen Jones (Warrington, North): What the hon. Gentleman suggests—bringing interest rates down to the European level—would cost between £30 billion and £60 billion. That means 20p on the basic rate of taxation. Is that what he is proposing?

Mr. Bruce: The hon. Lady appears not only to have surfed the internet, but to have headed off into the galaxy with that information. That is preposterous.

In the course of a debate in the House, I have no problem with people trying to undermine the Liberal Democrat argument. However, it is not only our view, but the view of an increasing number of commentators outside the House, that there is an imbalance in the economy. The Chancellor of the Exchequer says that he wants Britain to join the euro and that he accepts that that requires convergence of inflation rates, interest rates and exchange rates; yet, for the past 18 months, he has been pursuing a strategy that has widened the gap on all three. He clearly cannot be serious about his endgame, if he is not prepared to apply himself to the policy that would get him there. We are setting out exactly how he might achieve that end.

When they came to power, the Government promised an end to boom and bust. They assured us that things could only get better. However, for a large part of our economy, the Government's macro-economic policy has produced a severe bust, and things are getting far worse. Instead of playing the blame game, let us now hear what the Government propose to do to turn the situation around and save jobs, secure investment and promote growth.

In the three months since the House last met, the Chancellor of the Exchequer has been to the International Monetary Fund, to the Economic and Finance Council and to most of the capitals of the world—he has hardly had time to come home and wash a shirt. He has embarked on a campaign to suggest that we need a dramatic reduction in interest rates. I should have thought that there would be resounding applause for such a strategy from hon. Members on both sides of the House. Will the Chief Secretary tell us how and when the Chancellor, instead of lecturing the rest of the world, is going to implement domestic policies that will deliver lower real interest rates, a competitive pound and an end to the threat of losing half a million manufacturing jobs in the next two years? We await an answer.

3.58 pm

The Chief Secretary to the Treasury (Mr. Stephen Byers): I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

"notes that the Government inherited an economy in which public sector net borrowing was £28 billion, inflation was set to rise sharply above target because of the failure of the previous Government to take the necessary action on interest rates; recalls that the previous Government presided over a boom and bust economy where interest rates reached 15 per cent. and inflation reached 10 per cent., doubled the national debt in the 1990s, worsened inequality and failed to tackle the weaknesses in the British economy; commends the actions of this Government which is steering a course of stability in an uncertain and unstable world, has established a credible framework for monetary policy that has led to the lowest long-term interest rates in 35 years, and inflation hitting its 2.5 per cent. target, and has taken tough action to cut government borrowing by £20 billion; and welcomes the increase in employment of 400,000 since the election, the launch of the New Deal, reform of the tax and benefit system to tackle unemployment and poverty traps, support for British business through cuts in corporation tax and small business tax to their lowest levels ever, and the extra investment of £40 billion in education and health over the next three years."

On behalf of the Economic Secretary and myself, I thank the hon. Member for Gordon (Mr. Bruce) for his kind remarks on our appointment and our fresh responsibilities, which we intend to discharge in the interests of the country.

As we debate the state of our economy, there is a responsibility on all of us to strike the right balance. We must ensure that we do not talk down our economy and that we recognise the challenges that we face as a result of the worldwide slowdown in economic growth. I therefore want to make an honest, realistic assessment of the state of our economy, which acknowledges rather than runs away from the fact that, within sectors, certain areas are suffering hardship.

We must recognise also the underlying strengths in our economy, which were reflected just last Friday in the gross domestic product figures for the third quarter of this year, which revealed that there had been growth across all sectors. That demonstrates that, as a result of the Government's policies, we are able to steer a course of stability in an increasingly unstable and uncertain world.

At the beginning of this debate, it is worth considering for a few minutes the position that we inherited on 1 May last year.

Ms Diane Abbott (Hackney, North and Stoke Newington): Does my right hon. Friend agree that it is important to strike a balance between not talking down the economy and not being seen to deny the fears of people in the manufacturing sector who are losing their jobs? There are also fears in areas such as my constituency, which has one of the highest unemployment rates in the country, where people know that without real growth and a cut in unemployment, they have no chance of getting back to work.

Mr. Byers: My hon. Friend will be aware that, in her constituency in the east end of London and in my constituency in the north-east of England, there are now more people in work than there were on 1 May last year. I am sure that she will join me in congratulating the Government on that fact.

Ms Abbott: I accept what my right hon. Friend says, but does he share my concern that, although 1,808 people in Hackney have passed through the new deal programme, which is one of the Government's key strategies for getting people in areas such as Hackney back to work, fewer than 170 of them are now in jobs? The new deal cannot work in a recession, when there is an absence of growth.

Mr. Byers: I am sure that the 170 people in Hackney who have gained work and high-quality training as a result of the new deal are pleased that we implemented that policy. I say to my hon. Friend that manufacturing will benefit only if we take a long-term view of our economic prospects and do not take short-term measures, which may grab a headline today, but do not provide lasting growth for the future.

The short-termist approach of the Conservative Government meant that we inherited not a golden legacy, but an economy with serious fundamental weaknesses. Inflation was set to rise; there was chronic under-investment; consumer spending was growing at an unsustainable rate; and productivity was low. We had a weak skills base and the value of sterling was artificially high. In addition, our public finances were running out of control. The national debt had doubled under the previous Government to £400 billion and public sector net borrowing was £28 billion.

Mr. Andrew Tyrie (Chichester): Will the right hon. Gentleman give way?

Mr. Byers: In a moment.

During the 18 years that the Conservative party was in government, Britain had lower growth than any other major industrialised country and suffered two major recessions. We do not need to look back 18 years to examine the Tory legacy. We could turn the clock back just eight years to when the shadow Chancellor, the right hon. Member for Horsham (Mr. Maude), was a Treasury Minister. I regret that he is not here this afternoon. [HON. MEMBERS: "Neither is the Chancellor."] The shadow Chancellor does not have to prepare a pre-Budget report—the Chancellor does.

What is our golden legacy from the shadow Chancellor's time as a Treasury Minister eight years ago? Let us turn back the clock. Interest rates were at 15 per cent.; inflation was at 10 per cent.; 1 million manufacturing jobs were lost as output in manufacturing fell by over 7 per cent.; unemployment rose by more than 1 million; and 1 million people suffered the misery of negative equity. That is hardly a glittering record for the shadow Chancellor. There was no surprise, therefore, at the verdict of the electors of Warwickshire, North who voted the right hon. Gentleman out of office.

Mr. Tyrie: The Chief Secretary has repeated the mantra of how debt as a proportion of gross domestic product increased under the previous Government. Is he aware that the level of debt as a proportion of GDP has fallen since 1980—in other words, in the course of the previous Conservative Administration—and that Britain is almost the only country in the Organisation for Economic Co-operation and Development that succeeded in reducing its debt as a proportion of GDP?

Mr. Byers: I am afraid that that intervention reveals a degree of complacency among Conservative Members that was reflected by the previous Conservative Government. I do not find it acceptable that we spend more in this country repaying debt interest than we spend on our schools. The previous Government were prepared to accept that situation, but this Government are not. That is why we have set about reducing the public finance deficit.

When this Government came to office in May last year, we faced an economy set to repeat the same old cycle of boom and bust. There was no golden legacy, but the worst effects of 18 years of short-termism: playing party politics with interest rates; borrowing today and hoping that tomorrow would never arrive; and failing to address the skills gap and the need to improve productivity.

Mr. Barry Jones (Alyn and Deeside): I do not cavil at my right hon. Friend's speech, or at his Government's policies. However, today I visited the large Kimberly-Clark factory in my constituency which is to close. There

[Mr. Barry Jones]

will also be 200 redundancies at the modern optical fibres factory in my constituency and promulgated steel redundancies at Shotton steelworks. May I meet my right hon. Friend to tell him of my constituents' concerns and about the £400 million proposed investment in Deeside that was announced just this year? I would be grateful for a meeting with the Chief Secretary so that I may highlight the concerns of those who are about to lose their jobs.

Mr. Byers: I would be more than pleased to meet my hon. Friend and discuss the situation in his constituency that he has outlined. As I said in my introduction, it reflects the fact that certain areas within sectors are facing hardship. I recognise that fact and I do not run away from it. This Government will not turn their back on my hon. Friend's constituents, but will want to work with local employers to find a way forward and a means of offering new jobs and opportunities to those who are affected by the changes that my hon. Friend has outlined.

When Labour took office, we had to take tough action to tackle the difficulties that our economy faced. In the light of unsustainable growth, rising inflationary pressure and high public borrowing, we have put in place a platform of stability on which to build an economy that is capable of sustained and steady growth. We established a new and more credible framework for monetary policy by giving independence to the Bank of England in setting interest rates. Interest rate decisions are now taken in line with the long-term needs of the British economy rather than the short-term political considerations of a particular political party. As a result, inflation is at its target of 2½ per cent. and Britain now has the lowest long-term interest rates for 35 years.

However, the independence that we have given to the Bank of England in setting interest rates has caused confusion among Conservative Members. The Leader of the Opposition declared that he opposed independence, and said:

"They have given up control of interest rates when they should have kept hold of them."

That view is shared by the shadow Trade and Industry Secretary. However, the deputy Leader of the Opposition has said that no knee-jerk decisions should be taken regarding the independence of the Bank of England. That reflected the views of the shadow Chancellor a few weeks ago, who said that taking back control over interest rates was

"not a decision to rush into."

However, last week, the shadow Chancellor said that he, too, opposed Bank of England independence. He said:

"We would not have given up control of interest rates in the first place".

So there is a degree of confusion on the part of the shadow Chancellor.

Dr. Vincent Cable (Twickenham): I welcome the Minister's strong, robust reaffirmation of the Government's decision to make the Bank of England independent, but will he explain why, given that independence, the Chancellor of the Exchequer feels it necessary to give the Bank unsolicited advice on interest rates?

Mr. Byers: I draw the hon. Gentleman's attention to the evidence that the Governor of the Bank of England, Eddie George, gave the Treasury Select Committee a few days ago, when he said clearly on the record that he did not feel under any pressure from the Chancellor of the Exchequer over his decision making on interest rates.

Ms Abbott: My right hon. Friend will accept, though, that the fact that the redoubtable Eddie George does not feel under any pressure does not mean that pressure was not applied.

Mr. Byers: My hon. Friend knows that Eddie George is a robust character. Occasionally, he may feel under pressure, but, last week, he said clearly that it did not affect his decision making. That is the important point in this context. It is to be expected that, at times, the Chancellor of the Exchequer will express views about these important matters. However, the important point is that the decision-making process no longer rests with party politicians, whether it be the Chancellor of the Exchequer or the House; it now rests with the Bank of England and its Monetary Policy Committee.

In addition to tackling the issue of interest rates, we have had to tackle the difficulties that we found regarding public finances. In our first year in office, we reduced borrowing by £20 billion. In the first six months of this year, borrowing was reduced by a further £10 billion. We have also set out our spending plans for the next three years. A central feature of our new spending regime is the fact that we have built in margins to cover uncertainties, including the risk of slower growth and its effect on revenues.

As a result of our prudent management of public finances—including last year's £20 billion cut in the deficit—we are on track to meet our strict fiscal rules, while maintaining our commitment to an additional £40 billion for improvements in health and education over the next three years.

Mr. David Ruffley (Bury St. Edmunds): Given the recent downward revisions to gross domestic product forecasts, can the Chief Secretary tell the House by how much his forecast for public borrowing will increase, compared with the Red Book, in the years 1999, 2000 and 2001?

Mr. Byers: As the hon. Gentleman knows, a week tomorrow, the Chancellor will produce his pre-Budget report, and that will be the time for our new forecast for growth to be revealed. However, I can tell the hon. Gentleman, because he has asked an important question, that the margins that we built into our spending programmes at the time of the comprehensive spending review will be sufficient to cover our commitment of £40 billion extra spending for health and education.

Mr. Tyrie *rose—*

Mr. Byers: Just a second.

Labour Members need to know whether the Conservative party opposes the £40 billion for health and education. The Leader of the Opposition says that it is "reckless". The shadow Chancellor says that it is foolish. However, the shadow—

Mr. Tyrie *rose—*

Mr. Byers: I want to make this point. The shadow Education Minister, the hon. Member for Havant

(Mr. Willetts), says that it is not enough. The shadow Health Secretary, the right hon. Member for Maidstone and The Weald (Miss Widdecombe), says that it is not

"a generous settlement for our health service",

but

"a let down."

The Opposition must state their policies clearly. Is it reckless spending, or is it under-investment in health and education? The Opposition have refused consistently to say whether they are in favour of the additional spending or not. The Leader of the Opposition says that he is against it, and that it is reckless.

Mr. Oliver Heald (North-East Hertfordshire): What about welfare?

Mr. Dale Campbell-Savours (Workington): The answer just came from a sedentary position, from the shadow Treasury Bench. Is not the truth that the Tories want to cut pensions and benefits, but that they are not prepared to go on television and tell the people that?

Mr. Byers: My hon. Friend is right. When hon. Members have a chance to look at the spending on welfare, they will see clearly that three specific areas receive the bulk of the increase that was outlined in the comprehensive spending review. The increase is targeted at pensioners, the sick and disabled, and children. The Opposition must come clean and say for which of those three categories they would cut the increase.

Mr. Tyrie *rose—*

Mr. Byers: No, I have taken seven interventions already and I want to make progress.

We must ensure that the money that we spend is targeted on the areas that need it. The shadow Chancellor may say that the extra spending is reckless, and that it is foolish, but he should try telling that to parents whose six-year-old son or daughter is in a class of 40, or to pensioners who have been told that they will have to endure another two years of agony before they can have the benefits of a hip replacement operation.

Parents and patients do not regard our extra £40 billion spending on schools and hospitals as foolish. They see it as an investment—a reflection of the Government's priorities—which is essential to building a modern Britain and a decent society.

Mr. Tyrie: Will the Chief Secretary give way?

Mr. Byers: I want to make progress.

No debate on our economy at present can ignore the world situation. With one quarter of the world now in recession, including Japan—the world's second largest economy—no country is immune from the effects of the current instability in the global economy.

The International Monetary Fund has revised down its forecast for world growth next year from nearly 4 to 2.5 per cent. It expects world trade growth to fall by two thirds this year. Britain's export markets are set to grow more slowly.

Mr. Tim Loughton (East Worthing and Shoreham): Will the Chief Secretary give way?

Mr. Byers: I want to make progress. I shall give way in a few minutes.

We have experienced the opportunities that flow from the new age of globalisation. We have benefited from the accelerating integration of the international economy. Now we must manage it through more difficult times. Our shared commitment to open trade and orderly progress among the G7 nations has been a driving force for growth, even in countries that not so long ago seemed likely to be permanently left behind.

Now that trend is stalled, and in some places reversed, but I believe that it is only a temporary setback, not a permanent condition. I believe that the essential answer to the problems of the moment is not less globalisation—not new national structures to separate and isolate economies—but stronger international structures to make globalisation work in harder times as well as in good times. Our urgent need is for closer co-operation, continuing dialogue and an unwavering commitment to open commerce. We must not let temporary instability put global progress at risk.

Mr. Loughton *rose—*

Mr. Tyrie *rose—*

Mr. Byers: No, I still want to make some more progress.

As the economic weather turns, as a storm in one region threatens to spread, there are easy but dangerous shelters: a return to protectionism, the breakdown of co-operation and the rise of beggar-thy-neighbour policies—but that will only make matters worse and will not lead to renewed growth.

Protectionism anywhere is a threat to prosperity everywhere. Closing off national economies only increases national and international instability. In Asia, across the world and in the United Kingdom, it is the poorest and the most vulnerable members of society who suffer most from financial crisis and stagnation.

We make no apology for taking the lead in seeking to achieve the objectives that will lead to great co-operation and sustainable world growth. It is vital to do that to ensure that employment opportunities continue to grow.

Mr. Loughton *rose—*

Mr. Bercow *rose—*

Mr. Tyrie *rose—*

Mr. Byers: I have a wonderful selection. I shall go for piggy in the middle.

Mr. Bercow: That was an extremely courteous description. I congratulate the Chief Secretary on his well-deserved promotion to the Cabinet. He will be aware that, in Labour's business manifesto published in April 1997, his right hon. Friend the current Chancellor stated:

"We will not impose burdensome regulations on business, because we understand that successful businesses must keep costs down."

How does the right hon. Gentleman square that ringing declaration with the evidence in the report just published by the accountants Chantrey Vellacott, which estimates

[Mr. Bercow]

that regulatory costs to business by May 1999 will be at least £5 billion or 17.3 per cent. higher than when Labour took office?

Mr. Byers: I do not know how much that report cost the hon. Gentleman, but we know that accountants come up with these reports at regular intervals.

Mr. Bercow: I was given it.

Mr. Byers: The report was given to the hon. Gentleman. He should know better than to quote with authority freebies that might be handed out to him. The reality is that the Government have costed the introduction of a variety of measures. I know that Opposition Members disagree with some of them. However, we believe that it is in the long-term interest that some of these provisions are introduced into our economy. I shall talk later about some of the possible solutions to our difficulties that are being put forward by Opposition Members. Before I do that, and before the Treasury and the Government have costed the implications of such solutions, I must say that there is no relationship between our figures and the fantasy figures that have been quoted by Opposition Members.

Mr. Loughton: Will the Minister give way?

Mr. Byers: No. I want to make some progress. I shall give way in a minute or two.

I want to talk about the employment that has been created. We are talking of 400,000 extra jobs since May 1997. I recognise that there have been some high-profile job losses. Many companies have cited current difficulties in the world economy, and those alone, for closures that might have been experienced. However, whatever the reasons for job losses, whether they be in the constituency of my hon. Friend the Member for Alyn and Deeside (Mr. Jones), my constituency or elsewhere in the country, we on the Government Benches recognise that they are a personal tragedy for the individuals concerned, for their families and for their communities.

That is why the Government, unlike our Tory predecessors, will act positively to do what we can. There will be no turning our backs on people who become the victims of decisions that result in job losses. That is why we shall provide practical help at a local level, with training opportunities, advice on self-employment and payment of the costs of travelling to job interviews.

During the election campaign, we said that we would govern for the many and not for the few. In particular, we wanted both the young unemployed and the long-term unemployed to feel that they had a place and a role within our society. That is why we launched our new deal—the biggest employment programme for a generation. It was launched in the teeth of opposition from the Conservative party. Already, more than 140,000 young people have been helped into work and high-quality training opportunities. Although the Liberals spoke warm words about the new deal, they opposed our windfall tax which made it possible. We shall take that as a further £5 billion spending commitment from the Liberals. It is another one to add to the list.

The hon. Member for Gordon, in moving the Liberal Democrat motion, raised the question of productivity. Any honest and realistic assessment of our economy will show that there are a number of fundamental weaknesses that have held it back for too long, and one of those is our low level of productivity. I take the point that the hon. Gentleman made about figures from the London business school. Next week, with the pre-Budget report, my right hon. Friend the Chancellor of the Exchequer will specifically address issues related to productivity. We are confident that our figures, which show that we are falling behind our major competitors on productivity, are accurate. However, we shall examine the figures to which the hon. Member for Gordon has referred to ascertain whether, in the light of them, we need to revise our forecast. I have to say that given the work that has been done so far, our figures reveal an unacceptable productivity gap between us and our major competitors.

Mr. Malcolm Bruce: I am grateful to the right hon. Gentleman for what he has just said. I am sure that he would agree that, if the Government have it in mind to put money into schemes to boost productivity, we must be sure that we have the facts right. We all acknowledge the productivity gap, but it has not suddenly become worse, and that is really the problem. Will the right hon. Gentleman address how long British manufacturing industry must continue with an interest rate that is 3 per cent. higher in real terms than that of our continental competitors? Can he give any indication of when convergence might be achieved, and how?

Mr. Byers: I am happy to discuss productivity. Long-term interest rates are at their lowest level for 35 years. We hope that interest rates have peaked at 7½ per cent. and that they are on their way down. Announcements from the Bank of England have shown that the balance of risks has now changed in respect of inflation. I hope that significant decisions will be made in the next few weeks. I am guarded in what I say because, if I say something, it will be regarded as putting pressure on the Governor of the Bank of England and I would not want to do that.

The Government's productivity agenda must be seen as a fundamental part of modernising our economy. It is not about working harder, but about working better—working with world-class investment, technology, skills and management. That is why we have established a new investing in Britain fund, which will nearly double net public capital investment in this country in the next three years, and a root-and-branch reform of our education system to drive up standards.

None the less, it is not just how much we invest, but what we do with investment that is vital. Ultimately, it is business, not Government, that will close the productivity gaps, although the Government have a central role. That role includes getting the competitive framework right, underpinning the effective workings of capital markets and providing the right education and training to enable business to deliver a world-class performance. It also includes pulling down unnecessary barriers that hold Britain's companies back. Next week's pre-Budget report will take that agenda forward and build on work to strengthen the country's productivity potential.

It is instructive that, faced with world turmoil and global downturn, the Opposition's response has been to resurrect tired old Tory policies, clinging on to them like

a comfort blanket. They include rejection of the national minimum wage and, in the process, condemning 2 million people to continued poverty pay; opposition to the social chapter, which provides a minimum entitlement in the work place; and objection to the working time directive. With a quarter of the world in recession, is that a serious response?

In the past few weeks, the Conservative party has gone much further in policy development. The former Chancellor, the right hon. and learned Member for Rushcliffe (Mr. Clarke), warned politicians about commitments made on a wet night in Dudley. I know that we have had some pretty bad weather recently, but that advice has clearly not been heeded by the shadow Chancellor, the shadow Trade and Industry Secretary or the shadow Social Security Secretary. Between them, those three have committed the Tory party against the working families tax credit, which will make work pay for up to 1.5 million families with children. They would not spend £40 billion over three years on schools and hospitals. The new deal would be scrapped, denying hope to tens of thousands of young and long-term unemployed people. They would also take away the Bank of England's independence and play politics with interest rates.

What we have witnessed in the past few weeks has not been a coherent and thought-out response, but political positioning to be the new darling of the right. It has been about personal ambition, and nothing to do with the national interest. The result is a significant lurch to the right. The Tory party is now the party that likes to say no—no to the social chapter, to the working time directive, to the national minimum wage, to independence for the Bank of England, to the working families tax credit, to the new deal for the unemployed and to an extra £40 billion for schools and hospitals. As a result, it is a party with no chance of winning the next general election.

The Labour Government have put in place a comprehensive economic strategy to ensure that we can steer a course of stability in an uncertain and unstable world. The questions that we face are complex and difficult, but in all our debates and policy making, we must never forget that they are also human questions. They involve people's living standards as well as the level of financial transactions. They involve not only the value of capital, trade or investment, but the deepest values of our society.

We must make markets work, in tough as well as easy times. That is the burden and responsibility of all in the Government. It is a responsibility that we intend to discharge so that, together, our country and our people can meet the challenges that lie ahead.

4.29 pm

Mr. David Heathcoat-Amory (Wells): This is the first time that the new Chief Secretary has come to the Dispatch Box, and I join others in congratulating him on taking up his new post.

The Chief Secretary's job is important in any Government, and I look forward to debating economic matters with the right hon. Gentleman on many occasions, but his speech was a gigantic missed opportunity. He said nothing that we had not already heard from the previous Chief Secretary, and he should have used the debate at least to say something about what has happened to this economy and others in the past three months, and what sorely needed policy changes we can expect.

The Chief Secretary started hopefully by saying that he was about to make an honest and realistic assessment of the economy, but then immediately started to rewrite history and deny the existence of the golden economic legacy that he was bequeathed by the previous Government. We know—it is a matter of record, not of opinion—that we left the incoming Government with steady growth, falling unemployment and low inflation. All those achievements are now at risk or are in reverse.

The Chief Secretary asserted that the previous Administration left him with a deteriorating inflation target. That is not true; we met our target of 2.5 per cent. or less by the end of the Parliament. The policy mistakes committed last year, in the Government's first Budget, reversed that inflation record and gave the whole burden of controlling inflation to the Bank of England, which put up interest rates and caused a lot of other problems in turn.

I do not believe that the novelty of the Chief Secretary's position or his unfamiliarity with the brief produced such a shallow and unconvincing speech. Rather, the Government's whole economic strategy has become unsustainable. It was based on a growth forecast of at least 2 per cent. in this and every future year. All their spending commitments and borrowing forecasts were based on that growth prediction.

Today, no one believes that that growth will occur, and the Government do not believe that that will happen. Three weeks ago, the Chancellor told the International Monetary Fund in Washington that British growth forecasts are too optimistic. We know that the IMF has a special place in Labour hearts—it bailed out the previous Labour Government—but it is a scandal that the Chancellor of the Exchequer chose a meeting with the IMF in America to inform it about the British economy when he will not come to this House to tell us what is happening. He should tell us how the forecasts on which the Budget and the expenditure commitments were based have become largely fictitious.

Instead of a statement, a debate or some information from the Chief Secretary today, we have been given unattributable press briefings from the unofficial press spokesmen at the Treasury. In the City and throughout the private sector it is illegal for a firm to give selective briefings about price-sensitive information in its possession to third parties, but that is what the Treasury unofficial press spokesmen have been doing all through the recess up to today's debate.

All this secrecy and the dribbling out of little bits of news here and there come from a Government who came into office committed, so we were told, to openness and accountability. We remember all that waffle they cited in opposition about a Labour Government who would give the public all the information to which they had a right. The Government produced a White Paper last December entitled "Your Right to Know", but that has been quietly forgotten.

Even more recently, "The Code for Fiscal Stability", which was published last March, said that the Government would not withhold information on the conduct of fiscal policy and the state of the public finances except if substantial harm would benefit. What harm can possibly

[Mr. David Heathcoat-Amory]

follow from the Government giving to the rest of the world information and internal Treasury forecasts already in their possession?

Mr. Geraint Davies: On the issue of disclosure, would the right hon. Gentleman disclose what the official Conservative position is on the expenditure of £40 billion on health and education? Would expenditure on welfare be cut? If so, where? What is the Conservative party's position on the Bank of England? Would interest rates be left in the hands of the Government? Why has the shadow Chancellor taken so long to attend the debate? Has he been in Asda?

Mr. Heathcoat-Amory: The hon. Gentleman has obviously already forgotten that we voted against the Bank of England Bill on Second and Third Reading. We also argued against its provisions in Standing Committee. If the hon. Gentleman wants the answer to one of his questions, he should refer to the record.

Mr. Malcolm Bruce: This is an important issue, because the Bill to make the Bank of England independent is now an Act, and is a matter of law. Is the Conservative party committed to taking the Bank of England back under political control—yes or no.

Mr. Heathcoat-Amory: It was the Government who broke their election promise. The Chancellor of the Exchequer said that he would not give interest rate decisions to the Bank of England until it had established a proven track record, but, within days of taking office, he broke that promise and introduced a Bill that we voted against. I would have preferred it if the Liberal Democrats had assisted us in holding the Government to their election promise. I will tell the House what we will do at the next election when the Government tell us when they will keep the promises that they made at the election.

Mr. Campbell-Savours: Why cannot we get a straight answer to this question? We keep seeing Tory spokesmen on television being asked that simple question. Will the Tories take the Bank of England back under political control? That is all we need to know. Can we have a clear answer of yes or no, and put an end to all the waffling at the Dispatch Box?

Mr. Heathcoat-Amory: We will give the hon. Gentleman some of the answers he seeks when he apologises for deceiving the electors in his constituency. He stood on a manifesto and a promise not to give independence to the Bank of England, but within days of taking his seat in the current Parliament he broke that promise. When will the hon. Gentleman apologise for that?

At the time of the comprehensive spending review in July, we said that it was reckless to lock the economy into a three-year spending commitment with annual increases of more than 3 per cent. a year in real terms.

Maria Eagle *rose—*

Mr. Heathcoat-Amory: Events have shown that we were right. We also pointed out that the extravagance of the expenditure forecasts were due to another central failing by the Government: their failure to reform social security expenditure. It is significant that the Chief Secretary, in his speech, was already sliding on that commitment. We used to have it from the Government—indeed, from the Prime Minister—that welfare reform was right on moral grounds to end dependency on the state. It was also essential, so the Prime Minister assured us, to find the extra money to spend on health and education from a reduction in the welfare budget. It is significant that all the Chief Secretary spoke about were the problems, and the fact that that would not be possible after all.

That is why we called the overall expenditure commitment up to three years hence irresponsible and unsustainable, and we were right to do so. Since then, growth has more than halved.

Mr. Nigel Beard (Bexleyheath and Crayford): Will the right hon. Gentleman give way?

Mr. Heathcoat-Amory: I will give way one last time.

Mr. Beard: The right hon. Gentleman made much of the possibility of a recession, but went on to outline a policy of cutting Government spending, and thus cutting demand even further. If a recession is pending, such action will make it worse. My right hon. Friend the Chief Secretary proposes that we continue spending, to boost demand and counter the recession. The Opposition policy will deepen any recession, not cure it.

Mr. Heathcoat-Amory: I gave way to the hon. Gentleman because I had seen him on one or two Finance Bill Standing Committees, and thought that I would hear a more informed intervention. Once more, I was disappointed.

The hon. Gentleman is entirely wrong. If the Government had listened to what we were saying about unsustainable spending commitments, and if they had reformed welfare as a precondition of all their other expenditure ambitions, the Bank of England would not have had to go on raising interest rates. Industry, business and the economy generally are now paying for earlier mistakes that we pointed out. The hon. Gentleman is wrong to suppose that anything that I would have done, then or now, would make the recession worse.

We would not be where we are today under the Conservatives. We would not have had the last two Budgets. During the debates on those Budgets, we warned of the dangers that the Government were risking. That is why there is now a serious possibility of a £36 billion increase in borrowing over the next three years—and that is by no means the most gloomy forecast: some recently published independent predictions speak of zero growth for next year. The £36 billion could represent the lower end of the estimates.

The Chief Secretary referred to some mythical margin of prudence built into the expenditure review. I know that the right hon. Gentleman has been in his job for only about three months, but he need only read "The Code for Fiscal Stability", and the other documents that were published at the time of the comprehensive spending review, to realise that no margin has been built in. I refer the right hon. Gentleman to page 43 of "Stability and

Investment for the long term". Over the coming years, borrowing is already set to rise by at least £4 billion every year. That is extremely serious when considered alongside the new black hole that is opening up in the form of £36 billion of extra borrowing—or more, according to some scenarios.

Mr. Tyrie: May I make a point about the alleged margins built into the spending plans? The Chief Secretary seemed to be completely unaware that his Government had announced the lowest level of reserves as a proportion of gross domestic product that had ever been announced, certainly in living memory. The margin, in as much as it exists, was dangerously small even before the growth forecast was drastically altered a few weeks ago.

Mr. Heathcoat-Amory: My hon. Friend is right. The comprehensive spending review was already risky, and, with the halving—at least—of the growth forecast, it has gone into the danger zone.

Maria Eagle: Will the right hon. Gentleman give way?

Mr. Heathcoat-Amory: I will give way in a moment.

It is no good saying, as the Chief Secretary did, that all will be revealed in the pre-Budget statement. We had a pre-Budget statement last year, and there was nothing worth while in that. Meanwhile, savers and borrowers want to know what will happen to Government debt. Businesses need to plan. Will all the growth in the economy be pre-empted by the public sector? Will the Government have to go on putting up taxes on businesses? People want answers to those questions today. The figures exist in the Treasury; why are they not being given to the House of Commons?

Maria Eagle *rose—*

Mr. Heathcoat-Amory: Perhaps the hon. Lady has an answer.

Maria Eagle: It is not my responsibility, but I am grateful to the right hon. Gentleman for giving way to me at long last. Perhaps that represents the triumph of persistence.

Given his concern about excessive commitments to public spending, can the right hon. Gentleman explain just what the Opposition would cut?

Mr. Heathcoat-Amory: I have made that clear to the hon. Lady, but she need not take it from me; she can read the record. Back in July, we were saying that locking into a three-year commitment of that magnitude was irresponsible, given the Government's abject and continuing failure to deliver on their promise to reform the welfare state.

I am not asking the Government to do anything that we did not do. Over the past four years, social security expenditure has been stable, under the Conservatives and in relation to the expenditure forecasts that we left behind. During those four years, it rose by a total of only 1.5 per cent. in real terms. All the Government had to do was continue what we were achieving; instead, in their own comprehensive spending review, they have committed themselves to an annual real-terms increase of 3.3 per cent. in the social security budget. That, when added to all the other expenditure commitments, is reckless and unsustainable. We said so at the time, and we have been proved right.

What does the Chief Secretary do? He does not give us any new figures; he has no plan to sort the matter out. Instead, he simply blames business for everything. Meanwhile, job losses mount. Productivity is the new problem. It used to be the Asians who were at fault; then it was the Russians; then it was the banking system. The new problems are all caused by greedy management and lazy workers. Meanwhile, on the shop floor in our constituencies, in businesses and workplaces, job losses mount. I believe that the hon. Member for Gordon (Mr. Bruce) mentioned the Ernst and Young report, which predicts half a million extra job losses over the next two years.

Mr. Campbell-Savours: Will the right hon. Gentleman give way?

Mr. Heathcoat-Amory: I have already give way to the hon. Gentleman. I hope that he will forgive me if I do not prolong my speech by taking more interventions from him.

The Prime Minister's remarks last week were nothing short of scandalous. He dismissed all talk of job losses or the possibility of a recession as "idiotic hysteria". That was itself an interesting commentary on the Bank of England's own Monetary Policy Committee, which had said in its minutes for the month before that the chances of a United Kingdom recession had increased.

It is not only the Bank of England that has said that. In a circular sent out a few days ago, Goldman Sachs said:

"There is a rising risk of recession as evidenced by the continuing collapse in business confidence . . . On our projections the government will fail to meet its fiscal rules".

Chase Manhattan says that a

"UK recession is now very likely in 1999".

NTC, the independent research group, says that, according to its figures, there is a

"strong likelihood of recession in the second half of 1999."

Mr. Bercow: Will my right hon. Friend give way?

Mr. Heathcoat-Amory: Yes, for the last time.

Mr. Bercow: Does my right hon. Friend agree—especially in the light of the reports from which he has just quoted—that the Chief Secretary was guilty of gut-wrenching complacency in respect of the increased regulatory burden that British business will undoubtedly face in the lifetime of this Parliament? Was it not extraordinary that, in a 30-minute oration, the Chief Secretary failed even to refer to the European Commission's prediction that the country would slump to the bottom of the European growth table next year?

Mr. Heathcoat-Amory: My hon. Friend is right. All the warnings and all the independent research are dismissed as idiotic hysteria by the Prime Minister.

My hon. Friend is also right in saying that this concentration on failures of productivity shows a breathtaking hypocrisy. We have this from a party that

[Mr. Heathcoat-Amory]

opposed, with its allies, the Liberal Democrats, every one of the industrial and trade union reforms and privatisations that transformed our economy during 18 years of the Conservative Government. Those policies are being copied throughout the world, yet that same Labour Government are at it again. They lecture British industry about competitiveness and productivity and then bring in the job-destroying measures to which my hon. Friend has referred. As promised, they believe in the three Rs, which we are rapidly learning stands for regulation, regulation and regulation.

To take just one, on the Government's own figures, the working time directive will add some £2 billion a year to business costs. Everyone knows that distribution and freight charges are an important component in the cost of a manufactured item. We have among the highest distribution costs in Europe. Why? It has nothing to do with failures of industry, or the haulage industry in particular. The Government have ratcheted up fuel duties in both their Budgets and they are singling out diesel duty for yet more, higher increases.

According to Library figures, the extra costs of motoring, over and above what we calculated in our forecast, will amount to £9 billion in this Parliament, yet the Government have the nerve to tell industry to sharpen its act. The Government are piling on such extra costs and extra taxes every day.

The only consolation to the Government is that, possibly, they have the Liberal Democrats on their side. Here, I refer briefly to the weasel-worded Liberal Democrat motion, which recognises

"the role of fiscal policy in stabilising economic growth in order to avoid excessive reliance on interest rates".

Is that some bizarre code? Can the Liberal Democrats now talk to the Government in coded language only? Have all relations broken down? Are we to suppose, therefore, that those words have within them some coded support for the Government's high-tax policies and the £20 billion-plus extra business taxes that the Government are loading on to industry in this Parliament?

Helen Jones: Given his concern about taxation, perhaps the right hon. Gentleman could explain how it is that his party voted for amendments to the last Finance Bill that would have given us £6 billion—worth of extra spending? Which taxes would he have raised to pay for that?

Mr. Heathcoat-Amory: The hon. Lady is wrong. I do not believe that she attended all the debates—*[Interruption.]* If she was there, no one noticed it. She might have missed the fact that on the Finance Bill we were proud to oppose the extra taxes that the Government and their Liberal Democrat allies tried to load on to individuals and businesses.

Mr. Loughton: Will my right hon. Friend give way?

Mr. Heathcoat-Amory: I hope that my hon. Friend will forgive me. I must make progress.

I want to mention interest rates because they have been mentioned by Labour Members. They are higher than they need to be precisely because of the Government's persistent and continuing failure to bring their tax and spending policies into line with their monetary objectives. The best example of that was the attack on savings in their first Budget, the notorious £5 billion-a-year raid on pension funds. That was the last thing that the economy needed at that time. It meant that the entire burden of controlling inflation was transferred from fiscal policy to the Bank of England.

Of course, at the time, the Chancellor said that it was nothing to do with him—all those nasty interest rises were due to the Bank of England; he could not control the Bank. However, last month, he was going around the world—but not this country—telling everyone else that we needed a co-ordinated cut in interest rates. Frankly, he has to decide: does he control interest rates and, if he is urging all these lower interest rates, why has he signed up in principle to joining the European central bank in Frankfurt? If that happens, it will be illegal even to seek to influence the level of European interest rates ever again.

Last week in the Chamber, we had the hilarious spectacle of Labour Back Benchers complaining about the Governor of the Bank of England. They wanted him to be sacked because he had pointed out that the United Kingdom was a single currency zone, so interest rates for the north of England were set in accordance with conditions in the country as a whole. Those same hon. Members, however, want to join a single European currency, in which case it would not be British conditions that determined the interest rate, but conditions in continental countries, which would be very different. Matters would be 10 times worse if we did that.

Mr. Malcolm Bruce: European Union interest rates are 3 per cent. lower.

Mr. Heathcoat-Amory: That was a sedentary intervention from the Liberal Democrats, who, as usual, have forgotten nothing and learnt nothing. When we were in the exchange rate mechanism, we were told by the hon. Gentleman and others that it was going to mean lower interest rates. By the time we came out, it was the reason why we could not lower interest rates.

In the economic cycle, interest rates go up and down and the need for them goes up and down, but if we were party to a single European currency the requirements would be set not by British conditions, but by continental ones. Perhaps that realisation is beginning to dawn on those on the Labour Benches, but clearly it is not dawning on those on the Liberal Democrat Benches.

Mr. Malcolm Bruce: Will the right hon. Gentleman give way?

Mr. Heathcoat-Amory: I hope that the hon. Gentleman will forgive me, but I must raise another point.

The Economic Secretary to the Treasury, who is answering this debate, will have an opportunity to clarify—because we need clarification—what went on at last weekend's European summit in Austria. That summit produced a proposal for a £200 billion spending programme. The jobs crisis in the European Union has produced a left-wing response at EU level.

The Prime Minister may not want to be left wing, but he certainly wants to bolster his European credentials by going along with that proposal, so we face not only a £36 billion black hole in our domestic expenditure, but a £200 billion black hole at EU level.

We want to know what Treasury Ministers think about that. How will it all be paid for? Again, some people who attended that summit have an answer for that as well. They want an EU-wide direct tax to be levied on businesses or individuals in member states. It would bypass national Governments. That is the new proposal, so can we have a definitive statement about it before the end of this debate? Can the Chief Secretary or Ministers speaking for him assure the House that the Government will veto any such increase in the EU's taxation powers? Can we have a clear, unequivocal response to what is, after all, a straightforward question?

The problems that the Government have with unemployment, economic growth and borrowing are not sudden or unexpected. They were warned about them at the start of the summer. They fit into a pattern of mistakes and broken promises that go back to May last year. The Government broke their promises on taxes; they put them up 17 times last year. They attacked savings in their first Budget at the precise moment when they should have been encouraging them. They continue to put up business costs by introducing regulations and more taxes, and then blame the managers for being greedy and the workers for being lazy. The Government have also not only failed to reform social security but made reckless spending commitments.

Ministers blame everyone but themselves, and they fail to come clean with the House. The country is now paying for the Government whom it elected last year.

4.59 pm

Mr. Christopher Leslie (Shipley): In my short time in the House, I have not seen such a good example of the bad practice that politicians have adopted over the years—of being asked to answer a question but failing to do so—as that provided by the right hon. Member for Wells (Mr. Heathcoat-Amory). When asked a simple question about what the Conservative party would do about Bank of England independence, he told us, "We will answer you only when you answer this, that and the other question." Does the right hon. Gentleman realise how ridiculous he looked today? His speech was pathetic.

If Conservative Members are able to take decisions so quickly on matters such as the single currency, why on earth cannot they take a decision on whether to reverse Bank of England independence? They really have to answer that question. The right hon. Gentleman was asked other questions, which he ignored completely. He tried, pathetically, to duck giving any answer.

As my hon. Friend the Member for Warrington, North (Helen Jones) said, during the passage of the most recent Finance Bill, Conservative Members proposed removing £8.7 billion of funding for public services. If they want to reduce public spending by such an amount, they should tell us which services they would cut. We know that they would remove the working families tax credit. We know also that they are not worried about the poverty trap or structural unemployment, because they think that people affected by those issues can go to the wall. Do Conservative Members realise that £8.7 billion—an astronomical sum—is more than is spent annually on fighting crime in the United Kingdom?

Conservative Members have also mentioned welfare and social security. They must therefore be thinking about what they would do with pensions and child benefit.

Mr. Ruffley: Will the hon. Gentleman give way?

Mr. Leslie: Of course I will give way; I should like some answers.

Mr. Ruffley: Is the hon. Gentleman aware that, on 10 April 1997, the Prime Minister said that he wanted to

"start reducing the very high welfare and benefits bills we pay in this country"?

Nevertheless, it has been clearly demonstrated that, between now and the end of this Parliament, there will be an average annual spending increase of 3.3 per cent. Why did the Labour party deceive the British people on welfare?

Mr. Leslie: As the hon. Gentleman knows, in the Labour party manifesto, we talked about shifting our priorities from paying the costs of social and economic failure, such as paying the jobseeker's allowance, and placing greater emphasis on education and health. Making such a shift is our policy, and that is what we are doing. We are spending an extra £40 billion on health and education, although Conservative Members oppose that increase.

I should love to hear a Conservative politician come clean, for a change, and just spit out what is at the bottom of his heart. We know that the right hon. Member for Wells is against the euro and against the independence of the Bank of England. What spending cuts would he make?

Mr. Loughton: Perhaps the hon. Gentlemen will take a stab at answering this question. Will he commit himself and the Labour party to retaining the independence of the Bank of England after the next general election, or will that independence have been abdicated to the central European bank by then?

Mr. Leslie: The hon. Gentleman has a funny way of answering a question about whether the Conservative party would reverse the Bank of England's independence. Labour Members made the Bank independent, and independence is working well. Interest rates have reached their peak and are now on a downward slope. We feel that independence is the best policy for managing the British economy and monetary policy.

The House wants to know the risk—the clear and present danger—presented by Conservative Members to the British economy. Would they recklessly return monetary policy to the control of politicians, who might tinker around with that policy for their own benefit? How would Conservative Members go about things? The fact is that they offer fiscal and monetary policies that would be disastrous for the British economy.

Conservative Members talk about the need to cut and slash public services, but disregard the infrastructure that is necessary across the country and the vital public services—health and education services—that people cherish.

Curiously, although Conservative Members talk about an economic downturn, they talk also about reining in public expenditure. Surely such spending cuts would

[Mr. Leslie]

simply amplify any possible economic problems and—as the *Financial Times* said today—push things in the wrong direction?

Mr. Tony McWalter (Hemel Hempstead): My hon. Friend is very eloquently making his case. Opposition spokesmen say that our spending plans on education and health are irresponsible, reckless and unsustainable, which implies that they would not propose such plans. I should like to confirm that, as my hon. Friend said, Conservative Members would like to rein in those plans. They should make their intentions very clear.

Mr. Leslie: As my hon. Friend says, Conservative Members face in two directions on those issues. Although they like to talk about more public expenditure on this, that and the other, they try simultaneously to appease their own right-wing instincts by saying, "We must rein in all public expenditure, regardless of the value that it provides to the economy and the nation."

Mr. Loughton: The hon. Gentleman has expressed his great confidence in the ability of the Bank of England to do a better job of running the economy than his colleagues are able to do. Does he therefore agree with the hon. Member for Rotherham (Mr. MacShane), who recently called for the resignation or sacking of the Governor of the Bank of England and claimed that the Governor and his colleagues were sacrificing manufacturing jobs in the north for the sake of protecting the south? Does the hon. Gentleman think that the Governor is doing a good job?

Mr. Leslie: I think that interest rates should be left to the experts—those who are expert in monetary policy. I do not think that politicians, such as the hon. Gentleman and I, are capable of dealing with the daily technical issues of monetary policy—which is why the Government, correctly, gave the Bank independence and created the new monetary policy framework. Although it is open to all hon. Members to make suggestions on monetary policy and on what course the Bank should take, ultimately the decision rests with the Monetary Policy Committee—which is where the decision should be made.

I accept that world economic conditions will undoubtedly have an impact on the British economy. Events in Japan have ricocheted around Russia and Latin America, and problems such as the crisis in Long Term Capital Management and other financial institutions have caused significant problems that are likely to have an impact on Britain. Perhaps other problems are to come. I am extremely proud that the Prime Minister and the Chancellor have shown such strong leadership on the world financial and political stage. They are showing the way forward, urging greater transparency among financial sectors, pushing for better supervision and regulation—particularly of wide-scale speculation—and ensuring that they create a framework and show the leadership that are necessary to avert significant global recession which could affect Britain in the long term.

We should consider current events in Britain in the wider context. Although we might prefer it if some things did not happen, many good things are happening. Britain is having many economic successes. As Labour Members have said, economic growth—currently at 2.5 per cent. annually—is still very robust. Moreover—much as Conservative Members would love there to be, so that they could rub their hands in glee and poke fun—there is no recession in manufacturing.

Labour Members will try our best to keep growth on a sustainable course in the long term. Interest rates have peaked, and homeowners and businesses will be helped in coming months as rates decrease. The pound is now lower against the deutschmark than it was when Labour was elected. A survey of corporate management by Energis, reported in yesterday's *Financial Times*, stated that 70 per cent. of corporations believe that profits will be higher over the next 12 months. It says that two thirds of companies are predicting higher sales. In fact, it shows that exporters are among the most optimistic firms, so it is not all doom and gloom as the Opposition love to suggest.

We know why Opposition parties call for debates such as this. They like to rub their hands in glee whenever there is a hint of any bad news so that they can take a dig at the Government and try to grasp some scrap of political advantage. Unfortunately, it rings rather hollow when they have absolutely no solutions or suggestions of any substance as to what they would put in the place of our policies.

Let us consider the Liberal Democrats for a moment, as Opposition day debates provide us with a great opportunity to scrutinise Opposition parties' policies. At the heart of their recent document entitled "Moving Ahead", which was published at their party conference, was a policy to increase the personal income tax allowance from £4,195, as it is now, to £10,000. The Library has calculated for me—I am happy to share the information with the House—that the cost to the Exchequer of that policy would be more than £30 billion.

Mr. Malcolm Bruce: It would be £29 billion.

Mr. Leslie: What is the odd £1 billion to the Liberal Democrats? Whatever the figure, it is still an awful lot of money. In fact, it is more than is spent on trade and industry, crime fighting and defence combined. The hon. Member for Gordon (Mr. Bruce) likes to combine statistics—let us see how he likes them apples. He should realise the implications of his policy—£30 billion is nearly half this country's income tax take. He talks about fiscal policy having an impact on the wider economy, but we want to know specifically how he would find a substitute for that £30 billion.

The Liberal Democrats' solution is to

"phase out ill-judged reliefs and allowances",

as it says in their policy document. Would they phase out tax relief for occupational pension schemes to raise £9.3 billion? Would they phase out tax relief on redundancy payments? That would raise only £1.1 billion. The hon. Member for Gordon has been talking about phasing out mortgage interest relief at source all together, which would raise £2.7 billion. Even if the Liberal Democrats phased out all of those, they would still have a heck of a long way to go to find that £29 billion or £30 billion.

The Liberal Democrats say that they want an extra 1p on income tax, but that would raise less than £2 billion. They want a new 50 per cent. tax on salaries of more than £100,000, but that would raise only £2 billion. I shall give way to the hon. Member for Gordon if he can

clarify how the black hole is to be filled. I see that he is not rising to his feet, so I give way to my hon. Friend the Member for Liverpool, Garston (Maria Eagle).

Maria Eagle: Did my hon. Friend, like me, obtain a copy of the Liberal Democrats' document from the internet? If so, did he notice the name under which it was filed, namely "FINECON"? Having read it, I thought it was a fine con. Does my hon. Friend agree that the document is packed with uncosted and unfunded spending commitments, and that it would be impossible for the Liberal Democrats to pay for any of them?

Mr. Leslie: My hon. Friend is entirely correct. It is a fine con that the Liberal Democrats are trying to pull. They would create a £30 billion or £29 billion gaping black hole, and I hope that they will specify how they are planning to fill it.

Mr. Edward Davey (Kingston and Surbiton): I am more than happy to deal with the hon. Gentleman's point. We said at the conference that there should be energy taxes—I believe that that appears in the document. We also said that some reliefs should be phased out. How is the hon. Gentleman's party going to pay for the 10p rate that it has set as its long-term tax target? I ask the hon. Gentleman that as his party is in government.

Mr. Leslie: That is very revealing. We know that the carbon tax, or whatever the Liberal Democrats call it, means that petrol would have to triple in price. [HON. MEMBERS: "No."] Oh, so it is not quite as clear as we thought. I shall have to read *Hansard* to see exactly what was said.

Mr. John Swinney (North Tayside): As the hon. Gentleman is talking about the cost of fuel, is he aware that the fuel duty escalator that the Government have applied to above-inflation increases in the cost of fuel means that, by 2002, the cost of a gallon of petrol in Scotland will be nearly £5?

Mr. Leslie: That would be a matter for the Chancellor to review every year in his Budget. I do not know how the hon. Gentleman arrived at that figure, but he knows that it was the Conservative party that introduced the fuel tax escalator, and we are continuing it. That is entirely realistic.

Mr. Bercow *rose—*

Mr. Leslie: I must make some progress, as I wanted to make a concise contribution.

Let us consider what the Liberal Democrat party and the Conservative party are saying. One wants to slash public expenditure but fails to say where it would make the cuts. The other wants more spending on everything, not only on services but on reducing interest rates. As usual, they have no solutions and do not accept responsibility for the consequences of their pronouncements. They spit out proposals, but they must follow through and take responsibility for them.

The Government are pursuing the right course. Instead of falling off to the right or taking the Liberal way, they are pursuing a course of prudent and stable fiscal policy, aiming to increase productivity and long-term investment and making sure that the economy is put on a very firm footing. The Opposition parties present risks, but we know that the way forward is the Labour way forward.

5.16 pm

Mr. Andrew Tyrie (Chichester): As we are discussing a Liberal Democrat motion, I shall pay some attention to Liberal Democrat policy.

We know the problem: it is that a recession is looming. We have higher interest rates than we would like and the exchange rate is higher than we would like—and it is the Government's policies that have brought much of that about. The Liberal Democrats are at least consistent—their response is to join economic and monetary union. That was their policy 18 months ago, as well as three years ago. In every situation, their response is to say that we must join EMU. They believe that it will solve whatever the short-term problem might be at any moment. I want to knock that idea on the head completely before I concentrate on other matters.

Britain's economic ills certainly cannot be solved by joining EMU now. Of course, joining EMU would deliver lower interest rates, but it would make the short-term problems even worse. The differential in interest rates between Britain and Germany did not happen by accident; it reflects the fact that the markets believe that there is a long-run inflation performance differential between this country and the average of the euro Eleven. In other words, if Britain joined EMU, something would have to be done to squeeze out that differential. Nominal wage rises would have to come down to European levels, as would private consumption. Forecasts of those two measures reveal a 1 or 2 per cent. differential, so the economy would have to be squeezed over a period of years to enable interest rates to stay at the lower level.

What exactly would the Government have to do to achieve that? They would have to do one of two things—there are only two things that they could do. One is to tighten fiscal policy, which would mean higher taxes all around on a pretty big scale. At one point, I thought that we were going to hear commitments to higher taxes from the Liberal Democrats, but they seemed to change their mind.

The other option is to enter EMU at a higher exchange rate than we have now, but that policy would be even more disastrous. However, it is what the Irish have decided to do. In the spring of this year, they revalued the Irish punt against the basket of euro currencies as a prelude to entering EMU.

Apart from the Liberals, I do not think that anybody seriously believes that joining EMU now offers a short-term solution to Britain's current economic problems. It would give the British economy a far worse headache. It seems to me that the Liberals will remain isolated on that issue. Without a policy on EMU, their entire economic strategy starts to look extremely shaky.

The hon. Member for Gordon (Mr. Bruce) hinted at a tightening of fiscal policy with a rise in tax rates. Unfortunately, however, when pressed on the issue, he was able to tell us merely that the commitment to a 10p rate should be abandoned. That seems to be an abdication of both fiscal and monetary policy on the part of the Liberal party.

Mr. Edward Davey: The hon. Gentleman seems to think that Liberal Democrat policy is immediate entry into

[Mr. Edward Davey]

EMU. Of course that would be neither practical nor feasible. It would take at least two or three years. Does the hon. Gentleman think that the interest rate differential could be closed over that period—yes or no?

Mr. Tyrie: The hon. Gentleman has just changed Liberal party policy quite dramatically. We are now told that the Liberals would not consider joining EMU for two to three years. I have no doubt that, if they analyse the position a little more closely, they will conclude that EMU should wait four or five years. Conservative policy is that we shall return to the issue in seven or eight years' time. Labour policy seems to be pretty elastic. Just after the election, there were rumours that there would be a snap referendum and we would be in in a jiffy. Given relations between No.10 and No.11 on the issue, it now appears that entry will be many years hence, if ever. So there is movement towards a marriage of minds between the Liberals and Labour on the issue.

I should say a few words about Labour policy. This is the first debate in which we can reasonably say that the Government should be held responsible for the performance of the economy. Eighteen months have elapsed since the election—certainly enough time to see whether monetary and fiscal policy have been handled well. On the supply side, the Government may be benefiting from some of our reforms. In any case, the economy does not generally respond instantly to supply side changes and there tends to be a long lag before the damage to the supply side caused by increased regulation becomes apparent.

Labour has made something of a mess of monetary policy. In an effort to give the impression that the golden economic legacy which the Government were bequeathed—and which they tried to pretend did not exist—was not so golden after all, the Chancellor produced an emergency Budget in July 1997 in which he said that we were on the brink of an unsustainable boom. Rather than sort it out himself, however, he decided to hand responsibility to the Bank of England. In my view, he botched the job as he did not make the Bank of England fully independent, but created a halfway house. He gave most of the members of the Monetary Policy Committee three-year terms and, as a result, they have been over-anxious to bare their monetary teeth and prove their anti-inflationary credentials. So interest rates have been higher than they would have been.

Mr. James Plaskitt (Warwick and Leamington): On interest rates, does the hon. Gentleman not accept that the Bank of England, operating independently, has taken the inflationary pressures that we inherited from the previous Government out of the economy by taking rates to 7.5 per cent? Does that not compare favourably with the record of the previous Administration who, on three separate occasions when interest rates were under political control, took interest rates to 14 per cent.—twice the level that has now succeeded in dampening inflationary pressure?

Mr. Tyrie: I would like to be able to share the hon. Gentleman's optimism that interest rates have peaked. I note that Labour Members seem to take that absolutely for granted. We do not know that. Indeed, most Ministers appear to have no idea whether we are in an upswing or a downswing. When I asked the former Chief Secretary to the Treasury that very question, he was unable to tell me the answer. I expect that he has noticed by now that we are probably in a downswing. We cannot be sure. Nor can we be sure that interest rates have peaked. Of course they were set at the level required to get inflation down. We did bring down inflation to meet our target. At the election, inflation was below 2.5 per cent., as promised by the Conservative Government. I am trying to recall what interest rates peaked at to deal with Labour's inflation in the mid-1970s, but the figures elude me. No doubt someone will be able to tell me. *[Interruption.]* I understand that it was 15 per cent.

Now we have the result of the initial decision to give the Bank of England independence in a form that led it to tighten monetary policy. There has been a rapid slowdown in the economy, a rise in sterling, the collapse of manufacturing, as well as falls in exports and increases in unemployment. All that was under way before the far east crisis and the Russian crisis. Now, 18 months later, the Chancellor is begging the Governor of the Bank of England to take his foot off the brake. The Chancellor's acolytes are on to the press to persuade the Bank to cut interest rates sharply and there are calls for the resignation of the Governor from a number of Labour Members.

One minute the newly independent Bank of England was the most visible symbol of new Labour and the next minute it is a stumbling block to Downing street's preferred economic policy. First, we were told that monetary policy was too loose; then we were told that it was too tight. First, we were told that the Governor of the Bank of England should be left to sort it out; now we have been told that the Chancellor should be and is leaning over his shoulder. Nobody would consider that to be a good record on monetary policy. It may be short of a disaster, but it is certainly in a mess.

Let me now deal with fiscal policy. Initially, the Labour Government got it roughly right, but that is hardly surprising, because they were implementing Conservative spending plans, even down to the level of each departmental spending head. However, a few months ago, the Chancellor turned all that on its head and let spending rip. Now we have a massive and almost certainly unsustainable increase in spending.

The Chief Secretary talked about margins to his spending plans, suggesting that we do not need to worry about the growth forecast having been cut, but he seemed completely unaware that the Government's most recent Budget provided smaller reserves as a proportion of gross domestic product than any Budget that I can remember. I do not have the exact figures to hand, but I think they are less than half the average reserves in every Budget presented by the Conservative Government. That is very worrying and should be taken extremely seriously. I am pleased to see that someone has gone to check the figures with the Treasury officials. That is very prudent. The Government will no doubt wish that they had had higher reserves. The most recent Budget took a gamble on spending. In my view, that risk should not have been taken and we will find out soon enough whether the Government will need to backtrack on that.

There have also been massive hikes in taxation, albeit cleverly concealed from the taxpayers who will have to stump up the money. Tax increases have not been easy to spot, but they have been to the tune of at least £20 billion on business alone. Although I do not think that borrowing

will rise much in the current financial year, in two years' time we will realise how fast it has been rising. Whatever figure the Chancellor announces in a few days' time, I predict that, although it may not happen in the first year, in future the borrowing outturn will be higher than the figure that he announces.

Let us put fiscal and monetary policy together. How does Labour want to see the combined picture? The Government want us to believe—I have heard this again today—that their policy will put an end to boom and bust. It is astonishing that they are prepared to continue that argument. There will be no more stop-go, they say, just nice, smooth economic performance. Sometimes I feel that their rhetoric consists of saying that there is no longer a business cycle. As I said a moment ago, the previous Chief Secretary was unable to tell me what he meant by boom and bust. They give us mere rhetoric and soundbite economics.

I should like to say a few words about the supply side of the economy. We have had some discussion about the regulatory burdens imposed on business. All those measures taken together amount to a furring up of the arteries of the whole economy. It will take a long time for the effects to come through and we are only at the early stages. I shall not catalogue them all, because some may find it tedious, particularly if others refer to the same points. However, agreeing to the social chapter was a huge blunder, as were the changes to employment protection and the introduction of the minimum wage. The supply side of the economy has been damaged since the election.

Should anyone doubt that, I invite Labour Members to ask groups of business men in their constituencies a few simple questions, such as whether they sincerely believe that the burden of taxation on business will be lower in two years' time, whether borrowing will be lower and whether there will be fewer burdens on business. I do not think that they will find any takers in the business community. They should try it—I have.

Ms Margaret Moran (Luton, South): I have spoken to many businesses in my constituency. Will the hon. Gentleman concede that the Government's introduction of the lowest ever rate of corporation tax is an excellent boon to business, as those in my constituency told me during the recess?

Mr. Tyrie: I am afraid that that intervention betrays ignorance about the total burden of business taxation. The total burden has risen substantially. That is how the Government have succeeded in surreptitiously obtaining far more revenue than they implied they would before the election. That is one reason why business performance in the medium term will be poorer than it would have been had the measures not been introduced.

The Labour Government were elected not to implement an alternative economic strategy, but because they had convinced the electorate that they were capable of running the policy that they inherited. The Chief Secretary's comments this afternoon about the importance of markets and how they must be made to work were in language that very few Labour spokesmen would have been prepared even to consider only a few years ago. That is one reason why Labour was elected.

In the past 18 months, the economic legacy that the Government were bequeathed—it is a remarkable legacy; compare Britain 20 years ago with Britain today—has been put at risk. Monetary policy has pointed in two directions, almost at once. Risks have been taken with the public finances, particularly on the spending side, and heavy burdens have been placed on business. We do not need to look into a crystal ball to know what will happen if those policies continue—we can read the book. We know what happens with such policies. They are being implemented less vigorously than in the 1970s, but the genre of policy is the same in many ways, despite the new Labour rhetoric concealing the fact.

When the electorate come to judge, they will realise how damaging many of the Government's policies are. They thought that they had elected a Labour Government who would broadly continue Conservative economic policies, but they will realise that that was a terrible mistake and that, to continue with the economic policies that brought prosperity to Britain, they should return a Conservative Government.

5.35 pm

Jacqui Smith (Redditch): I am pleased to be able to contribute to the debate. Of all the constituencies in the Hereford and Worcester area, mine is the most reliant on manufacturing industry. The west midlands is the engineering centre of the country. I shall not take any lectures from the Conservative or Liberal Democrat Opposition on the need to maintain manufacturing jobs or on the record of the present Government.

Several hon. Members have mentioned our inheritance from the previous Government. When we talk about manufacturing jobs, perhaps it is worth thinking about that inheritance. If anyone is an expert on manufacturing job losses, Conservative Members should be. We shall not forget the early 1980s, when manufacturing output fell by 15 per cent. and investment fell by 17.5 per cent. Nor shall we forget the second Conservative recession, in the early 1990s, when manufacturing employment fell by 10 per cent. and investment fell by 16 per cent. We shall not take lectures on manufacturing jobs from the Conservative Opposition.

We shall also take no lectures from the Liberal Democrats, who have called today's debate. Their opportunistic approach to economic policy is truly breathtaking. Their response to the announcements of increased Government spending for public services in the past 18 months has invariably been to shout, "Higher, higher!" while refusing to explain how they would support their calls for higher spending. Indeed, they have voted against policies such as the windfall tax, which have been necessary to support the measures that the Government have been willing to take to improve the country's skills base.

Mr. Bercow: Given that the hon. Lady wants to continue with substantial increases in public expenditure, the economic downturn notwithstanding, will she take this opportunity to confirm her belief that taxation at the end of this Parliament will be higher than it was at the beginning?

Jacqui Smith: I will confirm that the Government have taken the necessary tough decisions on public spending in the first part of the Parliament, enabling us to put into operation the spending increases on education and health that were part of our manifesto. I shall come back to the Conservative approach to fiscal policy.

[Jacqui Smith]

We can add to the Liberal Democrats' previous inconsistencies the argument that fiscal policy should be tightened so significantly that short-term interest rates could be halved for early entry into the European single currency. Presumably, that means another increase in taxation. At least they are ambitious. Last year, they were calling for an extra 1p on income tax; they have now boosted that to at least an extra 20p on the basic rate and a rate of 50 per cent. for those on £25,000 or more.

Manufacturing in my constituency most certainly does not need the political opportunism that we have heard today. It needs a Government who are willing not only to take decisions for the long term in the macro-economy but to put renewed vigour into dealing with long-term structural improvements in productivity.

Ms Abbott: If it is important for the Government to take decisions on the macro-economy, why have we given away the ability to make decisions on monetary policy to the Bank of England?

Jacqui Smith: I was about to come to that point. The Government have the fundamentals of macro-economic policy right. As I suggested, the Government took the necessary action in the first part of this Parliament to cut borrowing—part of the previous Government's golden economic inheritance—and to find the extra £40 billion for education and hospitals that the country so badly needs. We have seen today further evidence of the disarray in the Conservative Opposition's approach to fiscal policy. The shadow Chancellor says that we should spend less on public services; shadow health and education spokespeople say that we should spend more; and the Leader of the Opposition claims not to have heard what they have said.

Mr. Tyrie: I really do not think that the nation believes that the Conservatives will find it impossible to control public spending. After all, Labour spent years telling us that we were at it too vigorously. As for where we shall find savings, one need look only at the fact that social security spending was growing at a lesser rate than the economy as a whole under the previous Government. It is now growing at a far greater rate. That is an area in which the Conservatives will be able to find some savings when we return to power.

Jacqui Smith: The hon. Gentleman describes precisely the problem that we inherited. The previous Conservative Government were not at it vigorously enough when it came to ensuring that social security spending went on providing opportunities for people as opposed to keeping them on the dole. Through the introduction of the new deal, this Government have ensured that that happens.

Mr. Ruffley: Does the hon. Lady believe that the Prime Minister said on 10 April 1997 that he wanted to cut the social security benefit bill? Did he say that—yes or no? If so, why are the Government not doing so?

Jacqui Smith: We have already done so. I reiterate that there is a significant difference between the expenditure on economic and social failure that we inherited from the previous Conservative Government and spending on the new deal, which is providing opportunities for people to work, using money to good effect as opposed to keeping people on the dole. The Government have turned such spending around.

If the Government had not granted the Bank of England independence in setting interest rates, we would still be facing a political-risk premium on long-term interest rates instead of their being at their lowest for 35 years. On that issue, we once again see contradictions in the Conservative Opposition's policy. As I understood his comments, the shadow Chief Secretary suggested earlier that the Conservatives would reverse the policy. We certainly need clarification from the Opposition on that.

High exchange rates have undoubtedly caused concerns for exporters but, as a Redditch manufacturer told me this month,

"I can't build my business on hoping the pound will fall. I've got to get out and sell and build the quality of my products".

That is, of course, the crucial lesson for the Government.

International competitiveness, business success and jobs cannot be built solidly on calls for constant devaluation. It can be built only on improved competitiveness and productivity. Furthermore, only by dealing with improving productivity can we get rid of the sort of bottlenecks that were responsible for the boom and bust and the instability from which the economy suffered under the previous Government. By getting rid of such bottlenecks and improving productivity, we remove the inflationary pressures that were so obvious under the previous Government.

I welcome the measures that the Government have already taken on corporate taxation, research and development, science, reform of the tax and benefits system and transport. Even so, we in the west midlands face a major challenge in skills shortages. I urge the Government to work even harder on improving training opportunities and skills levels. My local chamber of commerce reports that 59 per cent. of manufacturers have attempted to recruit in the past three months but that 75 per cent. of them have had difficulty, particularly in the recruitment of skilled manual and technical employees. There are several reasons for that. Employers, for example, report that young people are unaware of opportunities in engineering and manufacturing and still tend to view such jobs as dirty, badly paid and of low status. The main answer to that lies with employers. I am therefore pleased that representatives of the Redditch Manufacturers Association are already considering how they can communicate the positive benefits of manufacturing and engineering work to young people.

The Government also have a role in boosting positive contact between young people and employers. That is recognised in initiatives to break down the academic and vocational split in education and to ensure that young people take part in imaginative and on-going work experience projects, such as those that have been introduced in parts of Worcestershire by the Hereford and Worcester chamber of commerce, training and enterprise. It is also important to boost training for people who are already in employment. I welcome the opportunities provided by the introduction of individual learning accounts to boost skills levels, especially in areas such as information technology. We must push that forward to broaden the scope of such training if we are properly to deal with the skills shortages that we in the west midlands face.

Some employers express concern to me about the mechanics of implementing the individual learning accounts, tracking the training provided and ensuring that work force development can be facilitated through training funds. Redditch manufacturers, for example, have plans for a training centre that is linked to setting skills, for which there is great demand locally. Through imaginative use of training and enterprise council funds and new training finance, we should be able to promote projects that respond to positive local initiatives in order to build productivity. I hope that the Government continue to make that area a priority. They have shown a commitment to building the skills base and the provision of opportunities through the new deal in order to tackle unemployment and skills shortages. That must be carried forward—despite warm words but a lack of political support from the Liberal Democrats and a lack of any support from the Conservative Opposition.

I look forward to the Chancellor's statement next week. The Government have taken important decisions on the fundamentals of the economy that will enable the country to steer through difficult economic times. We must also look forward to the Chancellor spelling out further measures for improving productivity, because only with such a dual approach, which I believe that the Government are adopting, will we offer real hope for manufacturers in my constituency and the economy as a whole.

5.48 pm

Mr. David Chidgey (Eastleigh): Although I have no wish to talk down our economy—on the contrary, I have the greatest belief in the strength of this country and its work force—running at the heart of this debate, when we can pull the Government on to the subject, is a concern that many parts of our manufacturing industry are in the midst of a life-or-death struggle. That struggle for survival has not been helped over the past couple of decades by a Government who basically allowed manufacturing to lapse into neglect. In fact, that Government treated the industry with contempt and left much of it ill prepared and ill equipped to face the demands of the cut-throat global market.

Most Labour Members present today, whether or not they were Members of Parliament at the time, will remember that the previous Government made no secret of their contempt for industry. The 3 million jobs that were lost while they were in power were described as

"The jobs we do not want".

Well, the Conservatives might not have wanted those jobs, but it is a racing certainty that those who lost them did want them. We had a right to expect something better after almost 3.5 million voters turned their backs on the Conservatives and turned them out of office. For our industry, we had the right to expect better than a reliance on market forces to kill or cure its ills. We had a right to expect better than low productivity being blamed on lazy workers.

The House will recall that the Secretary of State for Trade and Industry is a man of many talents, but on the Sunday before last he revealed what one might describe as an almost endearing talent for honesty. On "Breakfast with Frost", he said that Britain's refusal to join the single European currency was starting to damage our trade prospects. That is honesty. He went on to say that, by failing to join the single currency, we could not be at the heart of Europe. That is more honesty. That being so, the Secretary of State added, the USA might now think twice about investment in Britain, because it was not just Britain that the Americans were worried about, but access to Europe. That is a key point.

Hon. Members might like to reflect that, for more than 15 years, the USA has been the largest inward investor in Britain, accounting for more than 40 per cent. of total inward investment from 1984 to 1994, and nearly 60 per cent. in 1995. The Secretary of State might have added that failing to make, at the very least, a statement of commitment on the single currency, failing to stabilise the economy, failing to bring down interest rates and failing to bring down sterling quickly enough is crippling what remains of Britain's manufacturing industry.

Mr. Bercow: Will the hon. Gentleman give way?

Mr. Chidgey: Ah, it is the hon. Member for Buckingham (Mr. Bercow), whose new nickname politeness forbids me to use.

Mr. Bercow: The hon. Gentleman's politeness is unequalled in the House, as we all know. Given his enthusiasm for joining the European single currency as soon as is feasible and, therefore, his acceptance of the running of interest rate policy by the European central bank, would he support in principle the idea that the European central bank should also run our direct taxation policy—yes or no?

Mr. Chidgey: I appreciate the hon. Gentleman's kind words, although whether my politeness is known in every corner of the House is a matter for debate. However, as he well knows, the two issues he raises are quite separate and unrelated.

Mr. Bercow: Answer.

Mr. Chidgey: No, because they are not related.

Mr. Bercow: Answer.

Mr. Chidgey: The hon. Gentleman is clearly a little hard of hearing today. The answer is: no.

To return to the subject of the performance of the Secretary of State for Trade and Industry over the past week or so, I should like to point out that, on Wednesday's "Today" programme, his response to the crisis facing the 16,000 workers at Longbridge and the 45,000 other workers linked to that business was that

"Rover should sharpen up its act".

Between Sunday and Wednesday, the message changed from a failure of Government policy to a failure on the part of lazy workers and poor managers. We know that the Secretary of State is famous for his ability to spin, but to spin a complete U-turn in only three days must be a record even for him.

The Government have been quick to point out that, although Rover is in severe difficulty, other car manufacturers are committing large investments to their UK operations. I welcome that, but it is not surprising, given that Britain attracts far more inward investment than any other country in the world, with the exceptions of the

[Mr. Chidgey]

USA and China. Records show that, over the past decade, the UK has attracted about 40 per cent. of all inward investment into the European Union, far outstripping any other country. However, the key question is: why? A recent Government survey shows that almost three quarters of the investors in this country's industry—our inward investors—invested because they needed a British or European base. Only 10 per cent. were attracted by labour skills and only 6 per cent. by labour costs. It is clear that most investment could readily divert to other European Union countries and my concern is that such will be the trend if the economy becomes unstable and if interest rates and the value of sterling do not fall to sustainable levels.

In spite of improvements in productivity, Britain still lags far behind our competitors in modern management, capital investment and, most critically, in skills. That is not new—the evidence has been clear for decades. The Government can shrug off any responsibility for the past, but the figures from the House of Commons Library tell a depressing and continuing story for which the Government must take some responsibility. Between the 1970s and the mid-1990s, manufacturing as a share of gross domestic product has fallen from more than 30 per cent. to slightly more than 20 per cent. That is a fairly common message across the industrialised world. Employment in manufacturing has fallen from 7 million to 4 million.

However, it is interesting to note that, in the same period, productivity in this country has almost doubled. That is a relatively good performance compared with that of many of our competitors, but it is not good enough. In 1995, United Kingdom labour productivity still lagged 14 per cent. behind France, 18 per cent. behind Germany and 30 per cent. behind the United States. It is hardly surprising to learn that Britain, having been the first nation to industrialise, is now de-industrialising faster and deeper than any other country.

The rot is set to continue. As my hon. Friend the Member for Gordon (Mr. Bruce) said, industry suffers a net loss of 300 jobs every day. The House of Commons Library, using the Treasury model, forecasts that, in the next two years, a further 420,000 jobs will be lost. Those jobs will be lost for ever: the records show that jobs shed when industry is in recession do not return when the economy improves. The losers end up in dead-end jobs, with lower wages and even lower prospects. Under-investment in improving productivity, skills and competitiveness has the inevitable outcome of dumbing down the economy.

Maria Eagle: Will the hon. Gentleman give way?

Mr. Chidgey: Ah, I see that the Millbank mafia are still twitching over their pagers. If the hon. Lady has something to contribute, I should welcome it, but I greatly doubt that she has.

Maria Eagle: If the hon. Gentleman gives way, he will hear my contribution. I agree with much of his lengthy analysis, especially his comments about skills shortages and productivity, but will he fill in the details of the motion being debated? It makes passing reference to taking

"further actions to tackle skills shortages".

Can the hon. Gentleman tell us what he would do and how he would pay for it?

Mr. Chidgey: I am delighted to learn that I have managed to hold the hon. Lady's rapt attention for so much of my speech—she is obviously itching to hear my conclusions. If she has just a little more patience and there are fewer interruptions, I promise that all will be revealed towards the end of my speech.

We are all too familiar with Conservative policies: strip out regulation of business and commerce, leave everything to market forces and let the fittest survive. The Conservatives appear to think that any form of employment protection adds an unbearable burden to business, but it might surprise them to learn that France and Germany—the most regulated countries in Europe—outstrip Britain in productivity by 14 per cent. and 18 per cent. respectively.

There is no doubt that, at its best, British industry is a world-class performer. Our aerospace and pharmaceutical industries are world leaders, as is our film industry. Hon. Members might be surprised to learn that the local shipbuilders in my constituency of Eastleigh are still winning contracts worldwide. An award-winning local firm involved in the optics industry has slashed the cost of contact lenses through advanced technology and, in just five years, has grown from having 60 to having 600 employees—that is a success record of which we are proud.

However, we cannot rely on market forces and the survival of the fittest. Government policies have to ensure the success of the able. The new driving force in our economy, as many of us recognise, is made up of small and medium enterprises. They are the dynamic job creators that need an environment in which they can flourish—they need less bureaucracy, easier access to affordable capital and, most of all, a steady flow of well-trained, highly skilled workers.

Helen Jones: Will the hon. Gentleman give way?

Mr. Chidgey: I shall make progress. The hon. Lady can have nothing to contribute to what I have heard before.

While industry and commerce wait in vain for clear, efficient policies from their Government to attract and maintain inward investment, three Ministers have their fingers in the pie. The Deputy Prime Minister, who is responsible for regional development agencies, is tasked with promoting business in the English regions and providing better support for SMEs. The Secretary of State for Education and Employment is responsible for training and enterprise councils, which have a long way to go before they will have any impact on bridging the skills gap. The Secretary of State for Trade and Industry is anxious to shift the emphasis away from regional agencies with a new regional industrial policy aimed at getting industry clusters to collaborate across the country. Three Ministers, with an annual spend of around £5 billion, are each pursuing their own agenda.

If we are to maintain the high levels of inward investment that we currently attract, Government Departments must develop a more co-ordinated approach

to strategic business support. The White Paper on competitiveness, which we await with bated breath, and the Committee stage of the Regional Development Agencies Bill give the Government opportunities to strip away the bureaucracy in the system. They could provide opportunities to end the scramble for inward investment and start to target resources on the areas of greatest potential for the long-term benefit of our economy. Simply targeting new jobs at areas with the longest dole queues does little for the country's long-term economic stability.

Inward investment must be a lever for developing skills, retraining and upskilling. Poor productivity results more from low skills than from lazy workers. Germany's high productivity owes far more to skills than to sweated assets. It is interesting that, throughout the 1980s and 1990s, the proportion of skilled and qualified technicians in the German work force has consistently been three times that in Britain.

This may be the last chance for any Government to bridge the skills gap in our industry and create a well-trained, flexible, highly skilled work force, which is attractive not only to overseas companies looking to invest but to successful British firms eager to expand. It is a chance that the Government must not be allowed to miss.

6.2 pm

Ms Diane Abbott (Hackney, North and Stoke Newington): I am grateful to have the chance to take part in this important debate on the economy.

There has been a great deal of party political point scoring, but beyond these Benches is a real economy. My hon. Friends are right to say that, overall, the economy is not in recession, but there are sectors that are anxious about the future. People in the north-east, who saw the traditional smokestack industries, in which they were brought up to believe they would find work, collapse under them, did the right thing and retrained and reskilled. They went into high-tech industries, such as the new car industry in the north-east which was created by inward investment. That is now collapsing under them.

People in north Hackney, which has one of the highest unemployment rates in the south-east, are locked into structural unemployment. After 18 long years, they look to a Labour Government to implement the economic policies that will create a return to full employment. Only full employment will float my constituents back on to the job market.

The problem for Conservative Members in attacking the Government's economic policy is that so much of it is their own policy. In its survey of the British economy earlier this year, the Organisation for Economic Co-operation and Development remarked that the Government are largely following the market-orientated policies of the previous Government. That is why the Tories are twisting themselves into knots, making spurious claims and descending into their internal obsession with Europe.

I want to make a few brief points not about what is going wrong, but about issues that need to be considered if my constituents, who have waited for so long for a Labour Government to put them back to work, are to have their hopes for themselves and their children fulfilled.

I was surprised, last week, to hear my colleagues abusing the redoubtable Governor of the Bank of England, Eddie George, who is well able to look after himself. Eddie George's views on inflation were well known; his background and history were well known; the likelihood that, given control of monetary policy, he would subordinate to the City the interests of manufacturing in the north was well known; and the history of the Bank of England in relation to interest rate policy up to 1945 was well known. My hon. Friends are raising their hands in horror because Eddie George has expressed opinions that he was well known to hold when he was given control of monetary policy. Their criticisms might better be directed at those who gave him those powers.

My colleagues hailed the handing over of monetary policy to the Governor and the Monetary Policy Committee as the greatest political act since Moses parted the Red sea. They will know that I have consistently criticised that policy. One did not have to look into a crystal ball to know what would happen if one gave the Bank of England untrammelled control of monetary policy; one simply had to read the book. It was always the case that handing over monetary policy would have the deflationary effects that we are now witnessing.

To be fair, Liberal Democrat Members have been consistent on this matter, and have consistently pushed the policy today. However, it surprises me that my colleagues are criticising Eddie George for expressing views that it was well known he held when he was given those powers.

Sir Michael Spicer (West Worcestershire): The hon. Lady is making an interesting speech and I do not want to interrupt her, but she has not dealt with the fact that the Bank of England is constrained not so much by the personality of the Governor or by the MPC, as by the laws that the Government have laid down for 2.5 per cent. inflation. That is what the hon. Lady should be attacking.

Ms Abbott: I shall come to that.

Far from being a great forward leap, the Government's early step to return monetary policy to the Bank of England was a reversion to the system that obtained until 1945. It has not been much remarked on in the House or the media, but part of the Government's problems with monetary policy is the way in which they implemented the handing over of the policy to the Bank. That was done not by an announcement on the Floor of the House, but by administrative diktat at a press conference outside the House.

As a member of the Labour party's national executive committee, I can tell the House that giving monetary policy to the Bank of England has never been party policy and was never specifically debated by the party at the NEC or any other level. I put it to colleagues on the Treasury Bench that, if the policy had been properly discussed inside the party and in the House before implementation, we might have arrived at a better framework for the Bank.

I am opposed in principle to giving the Monetary Policy Committee power over monetary policy, but if the Government had allowed a debate in the House before implementing the change, better legislation might have resulted. The Governor is constrained, which is why I am surprised that he is criticised by my colleagues. He is dealing with the narrow target of inflation rates, and he does not have to take into account jobs and growth.

[Ms Abbott]

One of the problems that arises from the lack of debate, in the party and in the House, on the change in monetary policy is that many people do not seem to understand it. I was against handing monetary policy to the Governor of the Bank of England because the decision is not reversible. It is absurd for colleagues to say, "Let's drop hints and put pressure on the Governor." The decision is not reversible, and it is quite wrong for the Government to attempt to put covert pressure on the Governor by way of Charlie Whelan's briefings to journalists. If I were the Governor of the Bank of England, I would be a little irritated by that. Either we have given the Bank genuine independence or we have not. According to colleagues on the Treasury Bench, Eddie George said that did not feel under pressure. However, that is not the same as saying that he was not subject to pressure—indirect and direct, implicit and explicit.

In due course, it might be possible for the House to reframe the legislation and the terms under which the Bank operates. However, a policy of spinning and leaking and covert pressure will make that much more difficult. It will also increase the price that we shall have to pay on the markets for reframing the policy.

My colleagues on the Treasury Bench have two or three soundbites about monetary policy that they repeat constantly as a substitute for expressing a view. The first is, "No return to boom and bust" and the second is, "We have taken the politics out of interest rates". Whether the Government like it or not, interest rates are a political matter in this country at this time. We cannot tell the public that the price that they must pay for their mortgages—people are likely to lose jobs because of climbing interest rates and an overvalued pound—is not political. Colleagues must not think that, by handing monetary policy to the Governor in the ill-advised manner that I have described, they will escape the political responsibility if monetary policy is seen to be going badly wrong.

I do not want to dwell on this topic, but many of my hon. Friends refer constantly to Germany. The circumstances are very different in Germany: the German people have fixed-rate mortgages and companies have long-term investments. The German political class has long been inured to the consequences of high interest rates in a way that politics in this country is not.

My colleagues on the Treasury Bench also frequently repeat the soundbite, "There is no trade-off between interest rates and employment." There is no absolute trade-off, but it is a fact that, in certain sectors of the economy—particularly manufacturing and sectors that export—and at certain points in the cycle, there is obviously a trade-off between rates of interest and job growth and prospects. If, as Ministers insist, there is no trade-off whatsoever, why do people set interest rates? Why do we not just program a computer to set them? I repeat: if, in nine months or a year, monetary policy is seen to have gone badly wrong, Ministers will not be able to escape their responsibility.

However, it is a done deal: we handed control of monetary policy to Eddie and his committee, and the consequences were totally predictable. However, the Government could have taken further action. They could have examined other aspects of macro-economic policy in order to offset the very obvious and predictable deflationary consequences of giving monetary policy to Threadneedle street. One of those aspects is fiscal policy.

When Liberal Democrat Members spoke earlier this evening, some of my colleagues said, sotto voce, "What are they saying? Are they saying that we should put up taxes?" Taxation, in itself, is morally neutral. We seem to have reached a position in the Labour party where taxation is viewed as an absolute evil. Taxation is simply another instrument of macro-economic management. The issue for the Government is not whether taxation is good or bad but whether taxation—

Jacqui Smith: Will my hon. Friend give way?

Ms Abbott: I am sorry, but I must make progress as the Economic Secretary wishes to respond in a few minutes.

The issue for the Government is not whether taxation is good or evil, but what is in the interests of the British people. There are times when taxation and fiscal policy are important. The Government could have used taxation policy to help bear down on inflation. Taxation is a key instrument for redistributing wealth. We do not hear that from Ministers any more, but I come from one of the poorest constituencies in the country and I assure them that redistribution of wealth is still dear to my heart. Taxation is also a very important instrument when it comes to raising revenue.

Hon. Members have talked about taking the big decisions about macro-economic policy. However, within weeks of attaining office, Labour handed over monetary policy to the Bank of England without bothering to debate the decision on the Floor of the House. The Government have adopted an attitude to fiscal policy that is not pragmatic or economic, but political and entirely doctrinaire. Taxation is an ill—the Mondeo owner in middle England will not wear it—so, regardless of the consequences for the economy or the problems inherent in trying to bear down on inflation using monetary policy alone, the Government will not consider using fiscal policy as an instrument. If there are three major instruments of macro-economic policy—monetary policy, fiscal policy and public expenditure—the Government have already ruled out two of them.

I turn, therefore, to the third major lever of macro-economic policy: public expenditure. What can we say about this Government and public expenditure? The Government boast that, overall, they will have tighter control on public expenditure than the Tories had. I served in the last Parliament and I remember how the right hon. and learned Member for Rushcliffe (Mr. Clarke) did not even believe in these public expenditure limits when he brought them before the House. Now I must sit behind Ministers who boast that they will have tighter public expenditure controls overall than the Tories.

The rise in expenditure to which Ministers refer—luckily, the Tories are also talking it up—is contingent on growth. I am sorry to say that many forecasts suggest that certainly the growth prospects to which the Chancellor referred at the beginning of the summer are now remote and that we may have less than 0.4 per cent. growth. Expenditure is contingent on growth but, apart from that, the Government have tighter controls than the Tories.

How do the Government respond when not just Labour voters, but electors around the country ask: from where will the investment in public services come? Ministers

talk about the public finance initiative. I do not wish to examine that mechanism in detail, but I put it to the House that, although PFI sounds like some sort of magic wand, in truth, it is a glorified form of hire purchase. We shall face all sorts of problems regarding the long-term effects of PFI on public expenditure. PFI is fine when used to build a toll bridge, but it is a very dangerous and dubious instrument to use in the health service. If colleagues believe that PFI will get them out of their public expenditure fix, they are very much mistaken. I refer them to the many excellent reports produced on this subject by the Treasury Select Committee in the last Parliament.

There are many theories about why people voted in such huge numbers against the previous Conservative Government in May last year. However, few would deny that the public wanted to see more investment in the public sector; they wanted to see public sector standards rise. There is no question but that the Government have introduced a series of initiatives, held launches and conferences and conducted other consciousness-raising exercises concerning the public sector. I say to Treasury Ministers—I will have cause to return to this theme—that, if they want to raise standards in the health service, they will have to pay the nurses. The single most important thing for a person who is admitted to hospital is the quality of care that he or she is offered by nurses.

I read the Government's submission to the pay review body regarding the nurses, and every other sentence read, "We want an affordable settlement." In this context, I take it that an "affordable settlement" is a settlement on the low side—after all, the Government can afford what they wish to afford. The situation is the same with teachers and education. In those areas of the public sector, everything turns on the people who deliver the service. Ministers are deluding themselves if they believe that standards can be raised if there is no willingness to raise the basic rate of pay for some of these people.

It is no good talking about super-nurses. Ordinary people will be nursed by ordinary nurses, and those nurses should have decent pay. Which one of us in the House would want to teach in schools in the inner city, given the pressure that those teachers are under, their difficulties in finding accommodation, and the social problems that they must deal with among the children in their schools, and who can expect them to work for the salaries that they are offered?

There are three major levers of macro-economic policy: monetary policy we have handed to the Bank; fiscal policy we forswear; and our proud boast on public expenditure is that we are bearing down on it more heavily than the Tories did.

In the early months of this Administration, the Government have said a lot of things that the nation has waited a long time to hear. A tremendous responsibility rests on the Government's shoulders to fulfil the aspirations and life chances of people like my constituents in Hackney, but I put it to the Government that, within the broad framework of Tory macro-economic policy, it will not prove possible to fulfil the aspirations that we were elected in May 1997 to fulfil.

People may mock tonight, but I believe that, as this Administration wear on, and as we see the full nature of the slowdown that we are presented with, we shall return, as a party, to this subject. It is all very well to give people soundbites and to refer to the pledge card, but we know in our hearts what people expect of the Labour Government, not this week, next week or next year, but in the long term—and how can we fulfil those genuine hopes and aspirations within what is, as I speak, broadly a Tory macro-economic framework?

6.20 pm

Mr. John Swinney (North Tayside): Mr. Deputy Speaker, thank you for the opportunity to speak in the debate.

Several Labour contributions to the debate showed complacency. However, the hon. Member for Hackney, North and Stoke Newington (Ms Abbott) spoke about real, live economic conditions, such as those that are familiar to me from my constituency. I should have thought that, as this is the second week since Parliament reconvened after the recess, we might all be more aware of the realities of life in our constituencies, but the several Labour contributions that I have heard do not strike a chord with me when I consider the conditions that I found, and the experiences that I learned about, in my constituency during the summer.

I listened with care to what the hon. Member for Redditch (Jacqui Smith) said about productivity. She said that the value of sterling was a side issue to the issue of productivity and the challenge that it sets our economy. During the summer, in my constituency, I visited many highly productive and very effective companies which, although they demonstrated to me that they had made 30 to 35 per cent. productivity gains in their activities, were crippled in their export activities by the value of sterling. However much productivity improves, if the pound is valued above an acceptable trading level, it will create trading difficulties for companies in our constituencies.

This debate takes place at an appropriate time in the economic cycle, in the light of some of the information that has been traded across the Floor of the House about the difficulties that are faced. In addition, we are all aware of the succession of job loss announcements that were made during the summer, throughout the country. The Chancellor's announcement of a change in his growth target makes this debate very appropriate. Obviously, we await with anticipation the publication of the pre-Budget report next Tuesday, but I sympathise with the concern that was expressed in the House today at the Chancellor's absence from a major debate after the end of the summer recess.

The debate also takes place against the background of the European Commission's conclusion that the United Kingdom will have the slowest growth in the European Union area in 1999, and against the background of other survey information. I quote two surveys whose findings reached me in the past few days. The Bank of Scotland survey of Scottish businesses shows that, in August and September, output and employment fell in the manufacturing and service sectors in Scotland. It shows that the manufacturing decline in Scotland is in accord with the United Kingdom pattern, but that service sector activity has suffered a sharper slowdown in Scotland than in other parts of the United Kingdom. A Business Strategies survey of consumer confidence in Scotland has shown an index fall from 29 to 26 in the space of one quarter—the largest quarterly fall since 1992. In that consumer survey, confidence about employment was at its lowest for four years.

[Mr. John Swinney]

Since the general election in May 1997, nearly 9,000 jobs have been lost in companies in Scotland. During the summer, several high-profile announcements were made. Yesterday, there was a major demonstration—at which many hon. Members were present—in the borders town of Galashiels, in connection with the severe job losses that have affected several sectors there, such as textiles, agriculture and electronics.

The agricultural sector predominates in my rural constituency. One learns—from visits to markets, individual farmers or estates, from lobbying organisations and from council events held to represent the interests of the agricultural sector—that every aspect of the industry records difficult economic conditions. In the House, against the background of those difficult economic conditions, whether in the manufacturing sector, the service sector or the agricultural sector, we must guard against the complacency that was more than amply shown by what the Government said tonight.

That brings me to the influences on Government policy. It is no wonder if the ears of the Governor of the Bank of England are warm this afternoon, given the way that he was referred to in the House. Let me continue those references. The Governor has said that, to cope with over-heating in the south of England economy, it is necessary for a price to be paid in other parts of the United Kingdom. He told us—from Washington—that the Monetary Policy Committee had engineered a slowdown in the UK economy to dampen down inflation. Interest rates have been used as the device for controlling the unsustainable growth in the economy.

If we are to be grateful to the Governor of the Bank of England for one thing—or if I am to be grateful to him for one thing—it is for the fact that he has confirmed a suspicion that I and my party colleagues have long peddled in the House: that economic policies were pursued to address economic conditions in the south of England, and that, as a consequence, other parts of the United Kingdom where those economic conditions did not exist would pay a price that did not need to be paid.

In many respects—this is where I very much agree with the hon. Member for Hackney, North and Stoke Newington—the Government have absented themselves from setting an effective fiscal policy that could counterbalance the pursuit of that monetary policy by the Bank of England. The indications of what the Government are prepared to do, and what they were prepared to do when they came to office, to address any aspects of economic management have been compromised by the Government's unwillingness to address fiscal issues, and by their willingness to hand power to an independent Bank of England.

There is a contradiction in the arguments that have been advanced on that subject. We are constantly told that we cannot have monetary policy that is directed toward the economic conditions of different parts of the United Kingdom. I contend that there is no overheating in the Scottish economy, so we do not need interest rates to be at the present level. However, by dint of the Governor's admission that interest rates are used to address overheating in the south of England economy, we now know that one part of the United Kingdom is predominating in decisions on economic policy.

During the passage of the Bank of England Act 1997, an attempt was made, in this House and in the House of Lords, to secure broader representation on the Monetary Policy Committee to guarantee that opinions from different component parts of the United Kingdom could be brought to bear on the discussions of that committee. Those representations met Government refusal, but I noticed that, in the weekend press, a growing number of commentators on the Scottish economy were recognising that the case was continually becoming stronger for broader representation on the Monetary Policy Committee, to enable that committee to come up with a more representative set of actions in relation to economic conditions in various parts of the country. The difficulty will be the framework within which the Monetary Policy Committee operates.

Mr. Bercow: I am following the hon. Gentleman's argument with close interest. He objects to the fact that the Bank of England takes interest rate decisions without regard to the interests of particular parts of the United Kingdom. Given that that is his criticism, why are he and his party in favour of permanently giving power to set interest rates for the whole of Europe, and not for the interests of Scotland, to the European central bank?

Mr. Swinney: The answer is simple: so that we do not make the same mistake in the constitution of that project that has been made in the constitution of the Bank of England project. That will guarantee that interest rates set by a European central bank are based on a broader assessment of economic conditions than is the case in the United Kingdom.

It is essential that we establish a balance between monetary and fiscal policy, to create the trading conditions that are appropriate in different parts of the United Kingdom. From what the Government have done so far, and from what we have heard from the Government Benches this evening, there is no recognition of the existing economic conditions in our community.

At a time when we are clearly moving towards greater economic difficulties, the Government are reducing the resources available for economic development in the Scottish economy. Real cuts in the Scottish Enterprise budget over the next financial year will compound the cuts that were made in two successive years under the Conservatives. That instrument could assist in counterbalancing the dominating effect in UK monetary policy of the overheating of the economy in the south-east of England. By giving appropriate economic development assistance to parts of the United Kingdom that face challenges in their economic development, we could address some of those economic imbalances, but the Government have not been prepared to do that.

As the debate winds to a conclusion, I hope that we shall hear from the Government clear and definitive answers to some of the questions that have been left hanging. The Chancellor appeared on television a few weeks ago to tell us that, despite revising his growth targets, borrowing, taxes and spending would remain unchanged. One does not need to be a member of the Monetary Policy Committee of the Bank of England to work out that something has to give in all that. Like many other hon. Members, I was surprised to hear of the elastic margins of the financial settlement produced in the comprehensive spending review, in the previous Budget and in other documents.

The Government must give us an answer on what is going to give in the relationship between borrowing, taxes and spending. We need a balanced economic policy which reflects monetary and fiscal considerations. Most important of all, UK monetary policy should be designed to allow us to counter the present difficult global trading conditions, not to walk straight into them.

6.32 pm

Mr. Edward Davey (Kingston and Surbiton): I begin by adding my welcome to the new Ministers on the Treasury Bench. We look forward to future debates with them. I hope that the former Education Minister turned guardian of the nation's purse will be as keen as we are that the spending review's settlement for schools is not just delivered in full, but is exceeded in the next three years.

I pay tribute to the former Member of Parliament for Wolverhampton, South-West, Mr. Nick Budgen, whose death was announced today. I know that he brought incisive intelligence and a dogged determination to debates on the economy. We on the Liberal Democrat Benches rarely agreed with him, but he certainly made a contribution.

Tonight's debate has been a long time coming. Over the summer recess it sometimes seemed that every day brought another shock to our nation's economy—job losses at home, storm clouds abroad and forecasts of worse to come. Now we have heard from the Chief Secretary and Labour Members that the picture is far rosier than has been made out.

During the debate, there has been the usual ping-pong of statistics across the Floor, quote and counter-quote, but no one has sought to argue with the fundamental point that the United Kingdom is fast decelerating. No one has challenged our basic premise that manufacturing and agriculture are in great difficulties. Indeed, the Chief Secretary acknowledged that. I cannot recall any hon. Member arguing this evening that the economic prospects, especially for industry, are anything less than serious, with a distinct possibility of a significant loss of manufacturing jobs over the next few months.

There has undoubtedly been disagreement over the causes of the downturn. As my hon. Friend the Member for Gordon (Mr. Bruce) predicted, the Minister tried to play the blame game. He said that it was not the Government's fault and he tried to blame the previous Government. He said that it was the fault of the right hon. and learned Member for Rushcliffe (Mr. Clarke). He blamed the crisis in the far east, and unproductive and inefficient businesses. However, as my hon. Friend the Member for Gordon pointed out, the facts do not bear out that story.

The mistakes made by the Chancellor, particularly those in his first Budget, are now all too apparent, with the economy unbalanced by a growing services sector and shrinking manufactures, caused by the misguided mix of monetary and fiscal policies in the Government's first 18 months.

The Chief Secretary's speech was full of good stuff. We could all agree with much of what he said, but he did not deal with the fundamental point. It is a pity that the Chancellor has not participated in the debate, to take this early opportunity provided for him by the Liberal Democrats to answer the rising criticism in the country.

In the Chancellor's absence, what has the Minister said in his defence? How do the Government try to argue that the current situation is nothing to do with them, and that all their policies have, despite evidence to the contrary, been successful? Unfortunately, they have used little more than the usual stale and unconvincing mantras, which we have heard in every debate since the election and in every "Today" programme interview.

Mr. Geraint Davies: Will the hon. Gentleman give way?

Mr. Davey: I want to make progress. I shall take interventions later.

The Chief Secretary said that the Government's policies were designed to end the cycle of boom and bust. In the parrot-like fashion to which we have become accustomed, he said that stability and prudence were the thing, for the long term. Those are good objectives. We all agree with them. Like motherhood and apple pie, even John Humphrys could not disagree with the sentiment. However, the continual incantation of such choruses does not put the words into action. That is the key part of our charge tonight.

The Government's oft-recited rhetoric of long-termism is not sufficiently followed in their practice of economic management. That is why the pound has been so unstable, real interest rates are so high and the economy is so unbalanced. Those are the results of bad economic judgments made in Downing street.

Unlike many hon. Members who have spoken tonight, we do not blame the Bank of England for the high interest rates. The Chancellor gave the Monetary Policy Committee little choice but to raise interest rates when he refused to use taxation to curb the consumer boom in his first Budget. As my right hon. Friend the Member for Yeovil (Mr. Ashdown) said in reply to the Chancellor back in July last year, instead of shackling businesses, the Chancellor should restrain the consumer in order to prevent high interest rates.

Of course Liberal Democrats support the independence of the Bank of England. That policy, borrowed from our manifesto, is essential. *[Interruption.]* Labour Members laugh, but the hon. Member for Hackney, North and Stoke Newington (Ms Abbott) said so herself. That policy is essential to tackle the boom and bust that has been endemic in the British post-war economy. The problem is that the Chancellor has failed to understand his newly acquired policy. In his recent comments urging the case for reduced interest rates—

Mr. Plaskitt *rose—*

Mr. Davey: No, I must press on.

However correct thatcase is, the Chancellor has done much to undermine the policy of independence for the Bank. As our motion states, it is important that the Chancellor resist such pressures and temptations.

The pressure that the Chancellor put on the MPC from the International Monetary Fund to cut rates was not the first time that he has meddled. In autumn 1997, Treasury sources were reported as saying that the Bank was not

[Mr. Davey]

putting rates up fast enough—"Stick 'em up, Eddie, one season; drop 'em, Eddie, the next." That is not the stuff of long-termism.

Mr. Barry Gardiner (Brent, North): Will the hon Gentleman give way?

Mr. Davey: No. That is not the stuff of long-termism. It does not contribute to ending boom and bust. Why cannot the Chancellor practise what he preaches? This is not an academic point. Whatever the governor told the Treasury Select Committee last week, if the markets begin to perceive that the Bank does not have the independence that the Chancellor promised, its credibility will be hit.

Mr. Gardiner: Will the hon. Gentleman give way?

Mr. Davey: The low long-term rates that the Government rightly crow about could start to rise. The Government's meddling with the Bank's independence could have even worse effects. The Bank may feel the need to reassert itself to prove its independence. Short-term rates will fall more slowly than they would otherwise have done. There will be higher short-term rates and long-term rates merely because of the ill-discipline of the Chancellor and his Charlie on the mobile.

It is not only with the Bank's independence that the Government are failing to practise long-termism. Their lack of policy on exchange rates shows their complete failure to set a clear and stable lead. In less than three months—

Mr. Plaskitt: Will the hon. Gentleman give way?

Mr. Davey: I will not give way because I need to make some progress.

In less than three months, 11 of our partners in the European Union will grasp a new opportunity for prosperity—the euro. Our Government still have not made up their mind. Apparently the single currency is a good thing in principle—no doubt like central bank independence and manufacturing industry. However, in practice, the Government dither, dodge and duck.

We on the Liberal Democrat Benches are absolutely clear where the United Kingdom's long-term interest lies. That is where currency stability for hard-pressed manufacturers and farmers can be found and not in the let's-not-take-a-decision economics of the Labour party. Look at the gyrations of the pound over the past year. It is—

Mr. Plaskitt: Will the hon. Gentleman give way?

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. The hon. Member for Kingston and Surbiton (Mr. Davey) has made it clear that he will not give way.

Mr. Davey: Labour Members should consider the gyrations of the pound over the past year. It soared to DM3.10 to the pound before falling to a still rather high DM2.80. That is how unstable the Government's current policy is. The Chancellor's bungie jumping policy on sterling is a return to the Tories' boom-bust economics, not an end of them.

That brings me to the third part of the Government's macro-economic policy, which we are told has been set for the long term, for stability, but which Ministers look ready to fudge if the going gets tough. That is fiscal policy. It is our old friend prudence.

The problem is that prudence has been put in a straitjacket. Unwilling to admit that their election promise not to raise rates of direct taxation was irresponsible, the Government have tied their hands behind their backs. That is why the economy is now so unbalanced. It is the result of the Government's disavowal of a proactive role for fiscal policy. That is something that the occupants of the Government Front Bench share with the Tories. In a world where Governments struggle against global economics it is pure madness to deny oneself weapons such as direct taxation.

When Liberal Democrats argued for an independent Bank, we did not say that the Government should give up all responsibility for macro-economic management. Fiscal policy has to support monetary policy. In some situations—classically in that of an unbalanced economy, where services and manufacturing are growing at different rates—fiscal policy can be used far more effectively than monetary policy. That is why we argued when considering the Budget of July 1997 that taxation should have been increased.

Mr. Bercow: By how much?

Mr. Davey: We said at the time and it is on record.

A Chancellor truly concerned with the long term would be prepared to take the political flak for raising personal taxation, when needed.

The Government are culpable in this economic situation because their actions have not met their words. They are meddling with the Bank, when they said that it should be free. They are dithering over the exchange rate, which they say in principle should be joined to the euro. Worst of all, they are unwilling to use the weapon of fiscal policy, making their target a starting rate for income tax of 10p in the pound.

In the minutes that remain, I shall move on to a key, issue that has been raised by Ministers before and during the debate—the productivity performance of British manufacturing industry. This is relevant because Ministers are saying that poor productivity is a cause of our problems. Why this should suddenly be the case is not clear, but that is the ministerial charge. The Government are right to be concerned about the productivity gap. However, I hope that Ministers will examine the charge made by some people, who believe that the productivity performance of British industry is much better than the official statistics suggest. This is crucial because it bears directly on the interest rate decisions of the Monetary Policy Committee. Productivity figures are relevant because they tell us about the inflationary implications of wage rises of 4 and 5 per cent. It is possible for firms to meet such wage demands without a knock-on effect if healthy productivity increases accompany those wage rises.

Yet we are told by the Office for National Statistics that wage increases in recent years have been accompanied by very low increases in manufacturing productivity,

seeming to add new cost-push pressures to inflation. We are told that worries about wage inflation have been a major factor in the decisions of the MPC to keep interest rates high. However, I wonder whether Ministers have seen a recent paper produced by two academics, Paul Robson and Neil Blake, in the "August Economic Outlook" of the London business school. The paper questions the reliability of the official statistics for manufacturing productivity. It argues that the dramatic slowdown recorded in these figures since 1994 has not actually happened. Using other evidence, the two academics to whom I have referred find that productivity could have risen by as much as 4 per cent. per annum rather than the tiny 0.7 per cent. in the official data. That is a dramatic difference.

Coupled with the Government's concerns about the reliability of the statistics on average earnings growth—concerns that prompted the Chancellor to launch an inquiry into that dataset—it is quite possible that the MPC has been making decisions not only in the dark but with the wrong information. If average earnings are growing more slowly than the data have been telling us and if manufacturing productivity has been much higher than we previously believed, the danger of inflation has been completely overstated. Against that background, interest rates should be moving to lower levels, converging with European levels. This analysis backs up our long-held view that the problem in today's economy is not manufacturing but an overheated service sector and that interest rates and an over-valued pound are exactly the wrong policies to be applying.

I hope that the Chief Secretary will, as he promised in his earlier remarks, reflect on the argument that I have outlined. It is fairly fundamental. The right hon. Gentleman said that he would do so. If the data of the Office for National Statistics have significantly affected policy making, as they appear from the minutes of the MPC to have done, it is the Government's responsibility to act fast.

The motion calls for some significant changes in economic policy. It sets out how to operate a truly independent Bank and refers to exchange rate and fiscal policies. All our policies are consistent with what the Government claim they want to introduce—a long-term approach to macro-economic management and a more stable economy. With manufacturing jobs being lost in their hundreds of thousands and with farming on its knees, it is time that the Government listened to our arguments and acted. Liberal Democrats provide the Government this evening with the opportunity to act and they should take it.

6.47 pm

The Economic Secretary to the Treasury (Ms Patricia Hewitt): I thank the hon. Member for Gordon (Mr. Bruce) and his colleagues for initiating the debate and for the welcome that they gave to my right hon. Friend the Chief Secretary and to me. It has been a pleasure for me, as the new Economic Secretary, to listen to the debate. It has been a particular pleasure to hear so many thoughtful and well-informed contributions from my hon. Friends. I say with some regret that we heard very little by way of policies from the Liberal Democrats, and even less from Conservative Members by way of answers to the questions which remain on what their policies really are.

The right hon. Member for Wells (Mr. Heathcoat-Amory) spoke of the golden legacy which the Government have supposedly inherited from the previous Administration. He suggested that we needed only to continue what the previous Administration were doing. That would mean continuing to let inflation get out of control and excessive borrowing. Indeed, borrowing in the public sector reached £50 billion in the early 1990s. If we continued with what the Conservative Government were doing, it would mean continuing to fail to invest in education and health. It would mean also continuing with one in five of working-age households having nobody in work. It would mean continuing to ignore the productivity gap between us and our competitors.

My hon. Friend the Member for Shipley (Mr. Leslie) rightly stressed in his very fine contribution that the official Opposition were once again talking down the British economy. He stressed that we need to recognise the successes that, despite the difficult conditions that we face in the rest of the world, we are still achieving at home. The output figures published last Friday—those are real figures, not surveys or predictions—show that output in the third quarter of this year rose by 0.5 per cent. on the previous quarter, and by 2.5 per cent. on the previous year.

Mr. Nick Gibb (Bognor Regis and Littlehampton): I thank the Minister for giving way, as it gives me an opportunity to congratulate her on her appointment. What growth figure do the Government forecast for 1999?

Ms Hewitt: I thank the hon. Gentleman and in turn congratulate him on his promotion to the Opposition Front Bench. As my right hon. Friend the Chief Secretary said at the beginning of the debate, and as the hon. Gentleman well knows, our revised forecast for growth and for the public sector will be published in the normal way in the pre-Budget report next week.

The hon. Member for Chichester (Mr. Tyrie) spent some time pointing out, and rightly so, that there was a black hole in Liberal Democrat policy, although he fell into the hole himself in respect of Conservative policy on EMU. He tried to argue that the Government's monetary and fiscal policies were working against each other. Mervyn King, Deputy Governor of the Bank of England, said at the Bank's press conference on the August inflation report that

"the idea that in some sense fiscal policy is being wildly expansionary I think is completely off the mark. Fiscal policy is absolutely in line with the golden rule and on a stable, sustainable path."

The hon. Gentleman also suggested that our public spending plans were unsustainable. Let me stress, as the Chief Secretary did, that, unlike our predecessors, this Government have consistently taken a prudent and cautious approach to managing the public finances.

Mr. Ruffley: Will hon. Lady explain why the Prime Minister said in April 1997 that he would reduce welfare spending, when the Government are now increasing it?

Ms Hewitt: The Prime Minister said then and on many other occasions that we would reduce the bills on failure and invest in the conditions for success. That is precisely what we are doing. We said, as a result of the comprehensive spending review, that we would invest an

[Ms Hewitt]

additional £40 billion over the next three years in health and education, and we shall do so. We are able to do so, despite the difficult conditions that we face in the world economy, because we took a more cautious view of the trend rate of growth in the economy and tested our public spending and investment plans against the risk that there might be lower growth than we were then forecasting. We built in margins to cover uncertainties, so we shall stick to the £40 billion investment.

Mr. Gibb: Will the Economic Secretary spell out to the House precisely what those margins are?

Ms Hewitt: I have just done so. We built into our forecasts a lower rate of trend growth in the economy than the Conservative Government did.

Mr. Gibb: Read the document.

Ms Hewitt: The hon. Gentleman will see it there.

Mr. Loughton: How much by?

Ms Hewitt: By 0.25 per cent. We also tested our public sector spending plans against the possibility of lower than expected growth. The hon. Member for Bognor Regis and Littlehampton (Mr. Gibb) will have to wait for detailed figures, which will appear in next week's pre Budget report.

Mr. Loughton: Will the hon. Lady give way?

Ms Hewitt: I have already given way several times—*[Interruption.]*

Mr. Deputy Speaker: Order. We cannot have the hon. Member for Buckingham (Mr. Bercow) interrupting all the time. He must calm himself.

Ms Hewitt: We shall stick to our £40 billion of planned additional spending on health and education, which the hon. Member for Bognor Regis and Littlehampton and other Conservative Members do not want us to spend. We favour additional spending on health and education, whereas Conservatives are against it. That is one of the biggest differences between us and the modern Conservative party—*[Interruption.]*

Mr. Deputy Speaker: Order. The hon. Member for Bury St. Edmunds (Mr. Ruffley) must behave himself.

Ms Hewitt: Thank you, Mr. Deputy Speaker.

Mr. Tyrie: The hon. Lady mentioned me in her speech. Can she explain what those margins are? For example, what percentage of each spending total are they, and how are they built into each part of departmental budgets? Such margins are a novelty in the history of public accounts, as they are not separately identified in the general reserve, which the Government halved.

Ms Hewitt: I have already dealt with that point twice.

My hon. Friend the Member for Redditch (Jacqui Smith) spoke for manufacturing industry in her constituency and the rest of the country. She made an extremely important point about the need to raise the level of training and skills. She said that employers in her constituency are, like some in my constituency, finding it impossible to recruit people with the required skills. She will welcome, as I have, the Government's investment in the new deal, a programme that not only has individual learning accounts but establishes a university for industry. We shall hear more about productivity and improving skills and training in next week's pre-Budget report.

The hon. Member for Eastleigh (Mr. Chidgey) was rightly concerned about the health of manufacturing industry after 18 years of Conservative Government. The real disaster for manufacturers in his constituency and throughout the country would be a return to the Conservative policies that gave us interest rates of 15 per cent. and a devastating loss of jobs in manufacturing industry.

My hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott) made a particularly robust contribution to the debate. She seemed to conclude that there was no difference between the present Government and the previous Administration. Let me remind her and the House of some of the differences. By giving the Bank of England operational independence we have achieved the lowest long-term interest rates for 35 years. We have brought down corporation tax to the lowest rate for 30 years. We shall introduce a minimum wage to protect millions of the lowest paid people. We have introduced the new deal for young and long-term unemployed people, lone parents and people with disabilities. Moreover, we shall make work pay, particularly with the introduction of the working families tax credit.

The hon. Member for North Tayside (Mr. Swinney) was concerned about the impact of economic policies on the Scottish economy. I remind him that, in the year to the third quarter of 1998, employment in Scotland increased by 13,000 and unemployment fell by 26,000, and employment in Scotland has risen by 52,000 since the general election. Thanks to the work done, particularly by Locate in Scotland and the Scottish Office, we have helped to attract to Scotland 87 inward investment projects involving planned investment of more than £1 billion and we expect the creation or safeguarding of nearly 18,000 jobs. Those measures will be as welcome to the hon. Gentleman and his colleagues as they are to me and mine.

The hon. Member for Kingston and Surbiton (Mr.Davey) appeared unable to say whether we had given too much or too little independence to the Bank of England. He repeated a concern raised by other hon. Members that my right hon. Friend the Chancellor had somehow put undue pressure on the Bank of England. Just a week or so ago, the Governor of the Bank of England said:

> "It is . . . entirely legitimate for the Treasury, the Chancellor, to make plain what their perception of the future of the economy is, and indeed rather proper that they should, when they see a significant change of this kind, so I have absolutely no complaints about that".

As I hope the hon. Gentleman would agree, an independent central bank is the best way to ensure the long-term credibility of this country's monetary policy.

The hon. Member for Kingston and Surbiton referred to the arcane dispute about productivity between the London business school and the Office for National Statistics, but what he failed to say about that interesting article from the London business school was that it accepts that the revised figures—the revised methodology—produce more accurate and reliable estimates of level of output and of employment in the economy.

Mr. Malcolm Bruce: Will the Minister acknowledge that the true problem facing manufacturing industry is real interest rates of 5 per cent. compared with 2 per cent. in Europe and an exchange rate that is higher than that achieved in the previous recession? When will the Government address those issues?

Ms Hewitt: The exchange rate against the deutschmark is now back where it was when we were elected last year; long-term interest rates are the lowest they have been for 35 years; and the problem that manufacturing industry needs to address, and which we are helping it to tackle, is the productivity gap between us and our competitors.

We inherited from the previous Government an economy that was heading for another Conservative boom and bust. We have taken the tough decisions necessary to get the economy on a long-term, stable course. Thanks to the tough decisions that we have made, especially on public finances, we are able to invest an additional £40 billion over the next three years in education and in health.

Of course the United Kingdom is not immune to what is going on in the rest of the world economy. We will announce next week our own predictions for growth; that will still be growth in line with other forecasts for next year. We have put in effect measures to strengthen the economy for the long term—the new deal, the minimum wage and cuts in corporation tax.

We are making the decisions that are needed for the long-term strength of the economy and to make provisions that will enable everyone in the community to fulfil his or her potential. That is why the United Kingdom economy is steering a course of stability in an increasingly unstable world. I commend the amendment in the Prime Minister's name to my hon. Friends and to the House.

Question put, That the original words stand part of the Question:—

The House divided: Ayes 43, Noes 330.

Division No. 365] **[7.1 pm**

AYES

Allan, Richard
Ashdown, Rt Hon Paddy
Baker, Norman
Ballard, Jackie
Beith, Rt Hon A J
Brake, Tom
Brand, Dr Peter
Breed, Colin
Bruce, Malcolm *(Gordon)*
Burnett, John
Burstow, Paul
Cable, Dr Vincent
Campbell, Menzies *(NE Fife)*
Chidgey, David
Cotter, Brian
Dafis, Cynog
Davey, Edward *(Kingston)*
Ewing, Mrs Margaret
Fearn, Ronnie
Foster, Don *(Bath)*
Hancock, Mike
Harris, Dr Evan
Heath, David *(Somerton & Frome)*
Hughes, Simon *(Southwark N)*
Jones, Nigel *(Cheltenham)*
Keetch, Paul
Kennedy, Charles *(Ross Skye)*
Kirkwood, Archy
Livsey, Richard
Maclennan, Rt Hon Robert
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Oaten, Mark
Öpik, Lembit
Rendel, David
Russell, Bob *(Colchester)*
Smith, Sir Robert *(W Ab'd'ns)*
Swinney, John
Taylor, Matthew *(Truro)*
Tonge, Dr Jenny
Tyler, Paul
Webb, Steve
Willis, Phil

Tellers for the Ayes:
Mr. Andrew Stunell and
Mr. Adrian Sanders.

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atkins, Charlotte
Austin, John
Banks, Tony
Barnes, Harry
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Begg, Miss Anne
Bell, Martin *(Tatton)*
Bell, Stuart *(Middlesbrough)*
Benn, Rt Hon Tony
Benton, Joe
Bermingham, Gerald
Berry, Roger
Best, Harold
Blair, Rt Hon Tony
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Rt Hon Gordon *(Dunfermline E)*
Brown, Rt Hon Nick *(Newcastle E)*
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Butler, Mrs Christine
Byers, Rt Hon Stephen
Cabom, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Canavan, Dennis
Cann, Jamie
Caplin, Ivor
Casale, Roger
Chapman, Ben *(Wirral S)*
Chisholm, Malcolm
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Cook, Frank *(Stockton N)*
Cooper, Yvette
Corbett, Robin
Corbyn, Jeremy
Cousins, Jim
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunliffe, Lawrence
Cunningham, Rt Hon Dr Jack *(Copeland)*
Cunningham, Jim *(Cov'try S)*
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ennis, Jeff
Field, Rt Hon Frank
Fitzpatrick, Jim
Fitzsimons, Lorna
Flint, Caroline
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Galloway, George
Gapes, Mike
Gardiner, Barry
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David

Heal, Mrs Sylvia
Healey, John
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hood, Jimmy
Hope, Phil
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jowell, Ms Tessa
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Kelly, Ms Ruth
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Ms Oona *(Bethnal Green)*
Kingham, Ms Tess
Ladyman, Dr Stephen
Laxton, Bob
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Linton, Martin
Livingstone, Ken
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCartney, Ian *(Makerfield)*
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McGuire, Mrs Anne
McIsaac, Shona
Mackinlay, Andrew
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
Mahon, Mrs Alice
Mallaber, Judy
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Meale, Alan
Merron, Gillian
Michael, Alun
Michie, Bill *(Sheff'd Heeley)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Rhodri *(Cardiff W)*
Morris, Ms Estelle *(B'ham Yardley)*
Mountford, Kali
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
O'Neill, Martin
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reid, Rt Hon Dr John *(Hamilton N)*
Robertson, Rt Hon George *(Hamilton S)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rogers, Allan
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Roy, Frank
Ruane, Chris
Ruddock, Ms Joan
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salter, Martin
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheldon, Rt Hon Robert
Shipley, Ms Debra
Short, Rt Hon Clare
Singh, Marsha
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Temple-Morris, Peter
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Vaz, Keith
Vis, Dr Rudi
Walley, Ms Joan
Wareing, Robert N
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Wood, Mike
Woolas, Phil
Worthington, Tony
Wray, James
Wright, Anthony D *(Gt Yarmouth)*
Wyatt, Derek

Tellers for the Noes:
Mr. Clive Betts and
Mr. David Jamieson.

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith, pursuant to the Order [this day], and agreed to.*

MR. DEPUTY SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House notes that the Government inherited an economy in which public sector net borrowing was £28 billion, inflation was set to rise sharply above target because of the failure of the previous Government to take the necessary action on interest rates; recalls that the previous Government presided over a boom and bust economy where interest rates reached 15 per cent. and inflation reached 10 per cent., doubled the national debt in the 1990s, worsened inequality and failed to tackle the weaknesses in the British economy; commends the actions of this Government which is steering a course of stability in an uncertain and unstable world, has established a credible framework for monetary policy that has led to the lowest long-term interest rates in 35 years, and inflation hitting its 2.5 per cent. target, and has taken tough action to cut government borrowing by £20 billion; and welcomes the increase in employment of 400,000 since the election, the launch of the New Deal, reform of the tax and benefit system to tackle unemployment and poverty traps, support for British business through cuts in corporation tax and small business tax to their lowest levels ever, and the extra investment of £40 billion in education and health over the next three years.

Farming and Food

Mr. Deputy Speaker (Mr. Michael J. Martin): We now come to the debate on farming and the food industry. I wish to announce that Madam Speaker has selected the amendment in the name of the Prime Minister.

7.16 pm

Mr. Charles Kennedy (Ross, Skye and Inverness, West): I beg to move,

That this House welcomes moves made by Her Majesty's Government in recent weeks to address some of the problems facing the British agricultural industry but believes these problems would more successfully addressed by measures such as accessing agri-monetary compensation funds, ensuring that animal welfare standards are enforced uniformly across the EU and that UK standards are applied to imports, encouraging supermarkets to support British farming in their buying policies and addressing the imbalance in the bargaining power between producers and the supermarkets, implementing a 'Buy British' policy in central government and its agencies and encouraging local government to do likewise wherever possible, retaining the Calf Processing Scheme, reducing inspection charges on farmers, ensuring that payments to farmers are made promptly, stabilising exchange rates by making an early declaration of intent of the Government's commitment to join the European Single Currency, implementing longer-term measures that are also needed to secure the future of British farming, including the clear labelling of products including imports, and ensuring that CAP reform does not discriminate against British farmers and any uptake of an early retirement scheme does not lead to compulsory amalgamation of holdings; further believes that confidence in the safety and quality of British food will only be restored when a fully independent and authoritative Food Standards Agency is established; and regrets any delay in its creation.

This is one of our two half-day debates being held shortly after the resumption of the parliamentary Session. This motion, together with the question that my party leader, my right hon. Friend the Member for Yeovil (Mr. Ashdown), asked the Prime Minister last week at the first Prime Minister's questions since the recess, underscores the fundamental importance that the Liberal Democrats attach to the crisis in British agriculture, and to the knock-on ramifications for the food chain and for wider rural policy.

Before I turn to the Government and to the new Minister of Agriculture, Fisheries and Food, I must express my surprise at the Order Paper. Given the countryside march and the high priority that the leader of the Conservative party has placed on these matters in recent months, it was astonishing to see that the Conservatives either agree lock, stock and barrel with Liberal Democrat policy—if so, I am delighted—and do not feel the need to table their own amendment, or have nothing new or original to say on these matters, which I suspect is the case.

I further gather from my friends in the Tory party—the few that are left—that they are on a one-line Whip. Given that they have been making such a song and dance in the House about these issues, one wonders why they are not on a three-line Whip and joining us in trying to put the Government under constructive pressure. They cannot all be having tea with General Pinochet—even genetically modified tea.

Mr. James Gray (North Wiltshire): Is the hon. Gentleman aware of early-day motion 1688 about beef-on-the-bone regulations? It is signed by 34 members of the Conservative party, but not one Liberal Democrat has signed it.

Mr. Kennedy: The hon. Gentleman may not recall the occasion on which the Liberal Democrats tabled a motion opposing those regulations, and I well imagine why he may not wish to do so. The Conservatives, to be fair, were happy enough to support us on that occasion, the reason being that our position is established in terms of the progress of legislation.

As I pointed out to the hon. Gentleman generously on the occasion to which I refer—for the benefit of those who were not present then, I will share it with him again—I always welcome interventions of that kind from him, because he was my defeated Conservative opponent in 1992.

The Conservatives seem to be removing themselves from the field of battle in this regard. That is no wonder, given what happened at their party conference. The party has an unreal attitude to Europe and, in particular, to European monetary union. That means that, in the long term, in respect of the broad parameters of agricultural policy and reform of the common agricultural policy—and, as we all know, the big decisions will be made in that context—the Conservatives have nothing to say for the next eight years.

I am glad that the Conservatives have clarified that, because it means that it is possible for a debate to take place this evening between the Government and Liberal Democrats. In speaking to the motion, I am mindful of the fact that the post of agriculture spokesman is a rather sticky wicket in all the parties. We are on our second Minister, and I wish him well. We are on our third Conservative party spokesman: one has diversified; one, presumably, has been "set aside"; and I wish the third well in his debut performance.

Wisely and carefully, we drafted our motion to encompass more than just farming. We have referred to the food industry in general, and there is a reason for that. In agriculture debates, we may all at times overlook the value to the United Kingdom economy of not just agriculture, but agriculture and the entire food-and-drink sector, in the context of the manufacturing base that we debated earlier.

The gross value added of UK food manufacturing is about £16 billion. It is a huge sector, and the food-and-drink sector's share of employment in manufacturing is about 11 per cent. That accounts for about half a million employees. No fewer than 1 million farmers, farm workers and food industry workers are employed in farming and food manufacturing. It is therefore appropriate for us to consider the issues on a slightly wider basis than that of agriculture, although I want to focus on the problems afflicting farming.

Over the summer, there have been repeated leaks, hints, press reports and speculation about legislation on the Food Standards Agency, culminating in a recent speech by the Minister in Yorkshire. Those of us who represent agricultural seats, and have participated in debates such as this over the years, know how opinion has moved in agriculture. I remember when I first stood for Parliament in 1983. I stood up in front of my constituency branch of the National Farmers Union, and argued that its interests would be better served by the hiving-off of the

[Mr. Kennedy]

consumer-food safety side of the Ministry of Agriculture, Fisheries and Food to a free-standing agency—that was what the alliance then supported—with the Ministry looking after only the production side. The response to that was pretty hostile.

Nowadays—largely as a result of the disasters that have been visited on agriculture and the food chain—those who talk to farmers throughout the country will find that they are as anxious as anyone else for the Government to proceed with all due haste. They know that the signal that will send to the consumer is profoundly important to the industry. The issue is wider than it might have been even a few years ago. The Government have rightly committed themselves to the introduction of an independent Food Standards Agency. If that is not in the Queen's Speech in a few weeks' time, not only will they have slipped in terms of their manifesto commitments; it will be damaging to the interests of both the UK agriculture sector and the UK consumer. It will be doubly damaging. I hope that the Minister will reassure us that the Government are not back-pedalling or stalling on their commitment, because, if they are, it will be a great setback.

In that context, let me say a word about supermarkets, which, in recent weeks and months, have been the subject of observations in various Select Committee reports. I hope that the Minister will be able to meet representatives of the retail sector soon: that is vital. When he does, he should—as well as bearing in mind one or two items on which I shall touch—have a constructive dialogue with the supermarkets, which are in an immensely privileged, powerful and monopolistic position. He must make it clear that they must play their part in encouraging consumer purchasing habits that will benefit UK agriculture.

Mr. Oliver Letwin (West Dorset): Is it not regrettable that the Monopolies and Mergers Commission is not looking at the wholesale as well as the retail side of the market?

Mr. Kennedy: I think that a broader analysis would have been better, but at least an analysis is being made in response to Select Committee reports—and, indeed, to the excellent report of my hon. Friend the Member for South-East Cornwall (Mr. Breed) about the activities of supermarkets in this respect. However, I agree that the canvas could have been broader.

A dialogue between the Minister and the retail sector is essential. We urge him to do more to ensure that UK content means legitimate UK content, as opposed to content that is cut up, packaged and dispensed in this country but reared elsewhere; but, much as we want him to take such action, we cannot divorce that important facet from the Government's abysmal behaviour since they came to office in regard to the accessing of European Community funds.

The country is in a cycle of insanity. The United Kingdom taxpayer is paying into EU funds; those funds are being accessed by nearly every other member state to help its farmers—farmers who, frequently, are employing lower animal husbandry and other standards than are imposed on our farmers. Their products are then imported into this country, packaged and labelled as UK content, and sold, cut-price, to the UK consumer. In the process, our farmers are being put out of business. The Minister will have to address that issue with alacrity. He cannot, in all integrity, engage in the necessary dialogue with the supermarkets while his Government preside over such a policy.

Throughout the country, we see the dreadful state of British agriculture. It is said that farmers often complain—that whatever is right in one sector is not right in another, that if the weather is right for one part of the country it is not right for another, and so forth. The current crisis was summed up very well by a Yorkshireman who remarked to me, in typically ebullient fashion, "You know how bad things are, lad, when even the guys who won't pay stop ordering." That—put, albeit, in fairly rumbustious fashion—reflects the extent of the difficulty.

Hill farmers in Wales are probably suffering more than farmers in any other part of the United Kingdom, but there is no part of the United Kingdom that is not suffering. There is no sector that is not experiencing a drastic drop in prices and a bad harvest, as well as all the knock-on effects of BSE and the madness of the ban on beef on the bone. I was encouraged to note that the Minister was anxious to do something about that; perhaps he will reassure us further tonight. There is also the continuing difficulty caused by our failure to take a sufficiently positive approach at a European level.

In Scotland, if I may say a word in regard of my country, there is a disastrous ministerial regime under Lord Sewel. Given his recent defeats in another place, it is high time that he were allowed to concentrate all his energies on devolution and to pass to the Under-Secretary of State for Scotland, the hon. Member for Western Isles (Mr. Macdonald), interim responsibility for agricultural matters. I say "interim" because I hope that, after next May, we will have a Scottish Liberal Democrat in charge of Scottish farming policy and dealing with the difficulties in the Scottish Office, which have not been witnessed south of the border, with regard to arable payments.

The Secretary of State for Scotland has made a great headline announcement, saying that arable payments will be available to help the current income crisis, but such are the bureaucracy and failings in the system that those payments are not, in large measure, getting in time to the people whom they need to hit. These are serious issues with which government in all parts of the United Kingdom should deal.

Mr. John Swinney (North Tayside): Is the hon. Gentleman aware that, in relation to arable aid payments, there is still a hangover from the previous financial year for a number of farmers because of mapping difficulties and the flow of information to the Scottish Office?

Mr. Kennedy: The hon. Gentleman is correct. Those farmers face a double whammy because, as he rightly says, there is the hangover from the previous year, as well as difficulties with the present set of payments. When a Minister makes a great announcement about some additional help—remember, this additional help is targeted only at the short-term income crisis; it does not deal with the longer-term strategic crisis of UK agriculture—and even that help does not come forward in

time and is not delivered where and in the way it is supposed to be delivered, it has a doubly depressing effect on those who are left in the agriculture sector, given the collapsed state of morale in the sector.

The Parliamentary Under-Secretary of State for Scotland (Mr. Calum Macdonald) *rose—*

Mr. Kennedy: Having perhaps destroyed the hon. Gentleman's career by praising him as the possible Minister with responsibility for agriculture in Scotland, the least I can do is allow him to make his debut.

Mr. Macdonald: The hon. Gentleman's remarks are a little beneath him. His arguments would be better balanced if he would reflect that support to the farming community of Scotland is at its highest level ever—£500 million a year—and that, in this current year, that support has been further increased by an extra £50 million, a 10 per cent. increase. It would be better if he took that on board when he assessed the Government's help to farmers in Scotland.

Mr. Kennedy: As the hon. Gentleman knows, I always listen to him with respect and affection. I do not think that these arguments are beneath me or anyone else because, to a greater extent than any other Minister with responsibility for agriculture in any of the four nations of the UK, it is Lord Sewel who has tramped the country using the demon word "restructuring".

What does restructuring suggest to an agricultural community that is already in the depths of crisis? It suggests what the steelworkers, the coal miners and shipbuilders all experienced under Thatcherism. It means that this Government's mindset is to allow a significant proportion of traditional family farming throughout the UK to disappear. If they allow it to go to the wall, the great irony is that, when people retreat from the land, when the family farms are sold, when there are more amalgamations and more agri-businesses, when we do not have the families there who, for generation on generation, have looked after these areas, be it Cornwall, Devon, Somerset, the highlands or rural Wales, the very objectives on which there is all-party consensus in terms of CAP reform—that more funds should go into rural development, diversification, conservation, management of the habitat—will not be met and we will not be able to develop the post-CAP reform, Agenda 2000 approach to which the Government pay lip service.

Mr. Richard Livsey (Brecon and Radnorshire): Does my hon. Friend agree that what is needed is an immediate package to rescue the industry, and that one of the most important things for family farms in upland areas is to have hill livestock compensatory allowances jacked up to the 1992 level, plus inflation? It is the Tories who cut the allowances and it is Labour who should restore them. We would support Labour if it did that.

Mr. Kennedy: I agree with my hon. Friend, who has made a notable contribution, both professionally and in his membership of the Select Committee on Welsh Affairs, to matters agricultural. He is right to say that, for hill and upland farmers, particularly in less-favoured areas, HLCAs are the most immediate, most targeted and most responsive assistance that any Government can come forward with.

Mr. Michael Jack (Fylde) *rose—*

Mr. Derek Foster (Bishop Auckland) *rose—*

Mr. Kennedy: I had better give way to the last but one shadow Minister.

Mr. Jack: Will the hon. Gentleman confirm just one fact? When we left office, hill livestock compensatory allowances were £160 million; currently, they are £125 million.

Mr. Kennedy: The point that my hon. Friend the Member for Brecon and Radnorshire (Mr. Livsey) has made deals with that adequately. We do not support this Government's approach towards HLCAs. It must be remembered that the freezing took place in 1992, so the right hon. Gentleman cannot, as Conservatives are all too prone to do, believe that all the problems that we are discussing in this and other debates began at the stroke of midnight on 2 May a year and a half ago. Many of them are deep-rooted and, in part at least, the legacy of the previous overlong Conservative Administration.

Mr. Foster: I was going to compliment the hon. Gentleman on his powerful speech, but I should point out, before he leaves HLCAs, that he did not manage to cover my constituency, which includes Teesdale. I have 600 sheep farmers there, 400 of whom depend on HLCAs. It is the worst crisis that I remember in 20 years as their Member of Parliament. Clearly, the most effective thing that my Government can do is to increase HLCAs substantially.

Mr. Kennedy: I hope that one of the positive signals that can emerge in the direction of the Treasury Bench and the Minister tonight is that, the more all-party support we can have behind the continuance and upgrading of HLCAs in coming weeks and months, the better it will be. The Government can make a difference there and it is something that is well worth them responding to positively, if not tonight, at some later stage. I reflect only on the fact that I do not know which career has been more damaged—that of my friend the Under-Secretary of State for Scotland by my praising him, or mine by the distinguished right hon. Gentleman praising me.

The essential difficulty in terms of what we outline in our motion is that, the immediate crisis apart, and I do not think that there is any serious doubt that "crisis" is the appropriate word in this context, we now have a society—I have been interested by what the Minister has been saying in recent weeks in this respect—where there is perhaps too much polarity between urban and rural Britain.

The Minister and I are of a generation where we can recall our parents telling us how, in the last world war, children were sent out of urban conurbations to farms, parts of the country that they would not, otherwise, have seen or experienced. That is not happening these days. Even with greater social mobility, there is not the same

[Mr. Kennedy]

fundamental understanding of the rural economy, and of agriculture in particular, that was a feature of that particular generation.

Therefore, it is incumbent on the Government and on the House as a whole to do more to support our agricultural base, to recognise that one of the important ways of so doing is to ensure the highest standards in the food safety chain, and to give reassurance and realistic positive support where it is so desperately needed. That is the clarion call that the Liberal Democrats express on behalf of the UK agriculture sector. It is one to which I hope that the House in general and the Government in particular can respond positively.

7.38 pm

The Minister of State, Ministry of Agriculture, Fisheries and Food (Mr. Jeff Rooker): I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

"welcomes the Government's strong commitment to the UK farming industry and to the wider rural economy; welcomes in particular the steps which the Government has taken since May 1997 to support the beef and sheep industry via EU agri-monetary compensation and relief from charges; acknowledges the steps taken specifically to help the sheep, pig and cereal sectors with targeted EU measures; and endorses the Government's intention to bring about a secure and viable future for the UK farming and food industries through a market-orientated reform of the Common Agricultural Policy."

I am grateful to the hon. Member for Ross, Skye and Inverness, West (Mr. Kennedy) for the content of his speech, with much of which—particularly his concern for the rural economy—we can agree. We are particularly at one on the comments that he made in the final part of his speech.

The hon. Gentleman said that he would curtail his comments so that as many hon. Members as possible would be able to speak in this debate. He therefore could not deal in his speech with every item listed in the Liberal Democrats' motion on today's Order Paper. I do not criticise him for that brevity. Although I shall not respond to every item in the motion, I shall try to deal with some of the key issues that he raised. I should be happy to try to deal with all the issues, but, in a short debate, that would only cause complaints.

I welcome the hon. Member for South Suffolk (Mr. Yeo) to his new position in the shadow Cabinet. However, he is not the third shadow agriculture spokesman that the Government have faced in the past 18 months but the fourth. One of his predecessors as agriculture spokesman held the post for a little while, in May 1997, until changes were made. There has been—I do not criticise it—a high turnover in the position.

I know that the House expects me to deal with the much-needed support that is going to agriculture. Although no one makes any complaint about that support, at the end of an agriculture debate, one should never try to leave the impression, or make a public pronouncement, to the effect that the sector is devoid of support from the taxpayer, because it is not. Public support for agriculture amounts to billions of pounds. Although I shall not deal with the catalogue of issues affecting the sector, I shall deal with the main ones, because they are extremely serious.

I accept the comments made by the hon. Member for Ross, Skye and Inverness, West at the beginning of his speech, and agree that, for the first time ever, many factors have come together simultaneously to affect agriculture. We have examined the ups and downs of the various sectors of the industry, and confirmed that, although all the sectors have never flourished at the same time, there has never before been a time when almost every sector has, for different reasons, been attacked and undermined as almost every sector is being attacked and undermined at present. The assault on all those sectors has had a cumulative effect on many farmers and food producers. We shall seek to make as much progress as we can in our negotiations on the package that we shall put together to meet the immediacy of farmers' and food producers' demands.

Mr. Barry Jones (Alyn and Deeside): May I emphasise the severity of the crisis on the hillsides in Wales, and tell my hon. Friend of the problems faced by sheepmeat and beef producers, even on the lower pastures and in the dairy industry? The National Farmers Union county delegate, Mr. Terrig Morgan at Fferm Carreg y Llech, Mr. Idris Roberts of Pwll farm, Trevddyn, and Mr. Clive Swann of Ffrith farm have told me of the real difficulties faced by their members. They hope very much that urgent action will be taken. The good news is that the Under-Secretary of State for Wales, my hon. Friend the Member for Cardiff, Central (Mr. Jones), has agreed to meet my Trevddyn and Llanfynydd members—who I am sure will receive a favourable reply.

Mr. Rooker: I am grateful to my hon. Friend for mentioning those locations, as it saves me having to do so. I am grateful also for the presence in the Chamber of my hon. Friends who are Ministers in the Welsh Office and the Scottish Office, as agriculture is an issue that affects people across the United Kingdom.

I should mention some aspects of the financial assistance available from taxpayers. Although I know that it annoys some people when we mention it, the fact is that, so far, £2.5 billion has been spent on BSE-related measures, some of which are market-support measures. The situation today would be far worse than it is if we did not spend that money provided by taxpayers. Moreover, beef producers are receiving annually in normal beef subsidy payments approximately £500 million. Furthermore, in 1996–97, some £450 million in ewe premium payments were paid to sheep producers. Although slightly less was paid in the subsequent year, several hundreds of millions of pounds were paid.

Sir Robert Smith (West Aberdeenshire and Kincardine): Will the Minister give way?

Mr. Rooker: I shall be happy to give way to the hon. Gentleman after I have made a little progress in my speech.

Should sheep prices remain low this year, producers will benefit from the higher ewe premium. Moreover, in response to currently low lamb prices, we have successfully urged the European Commission to grant private storage aid for sheepmeat in the United Kingdom. The Commission has very promptly responded to our

request, providing private storage aid for a maximum of 2,400 tonnes. Early indications are that, because of the storage, significant quantities of lamb will be removed from the market.

The Government have also just agreed to an increase in advances payable under the beef special premium and the suckler cow premium scheme, from 60 to 80 per cent. The increase in the level of advance payments will, in the very near future, bring to the industry some £100 million, which would otherwise not have been available until spring 1999.

We have also persuaded the Commission to extend beef intervention coverage in Northern Ireland for the last four tenders in 1998 and to provide for an increase in the maximum carcase weight of animals purchased.

Although the hon. Member for Ross, Skye and Inverness, West did not mention some matters in his speech, they are part of the Liberal Democrats' motion, and I shall deal with them. Some matters are more important than others, because they are more pressing.

One such matter is the calf processing scheme. During the summer recess, we announced our decision on the statutory implications of that scheme, which will end on 30 November. As of today, that is still the position. [HON. MEMBERS: "Oh."] No, nothing has been ruled in or ruled out. The Ministry is seriously considering a range of options, and we are genuinely considering all the points that have been made to us over the summer recess. To do anything other than that would be a derogation of our responsibility as Ministers to the House. We are genuinely considering all the points that have been made to us.

I have not said that there has been any change in the scheme. As of today, the scheme will end as we have announced that it would. The statutory scheme ends on 30 November. However, as I said, we are genuinely considering all requests that have been made to us over the summer recess. Although that matter was dealt with in the Liberal Democrats' motion, I cannot say any more about it now. I had hoped to deal with the matter in such a manner that I would not have to deal with it at greater length, but perhaps I will have to.

Mr. David Curry (Skipton and Ripon) *rose—*

Mr. Kennedy: The Minister is trying to be very upfront about the matter. Perhaps the way in which he is expressing himself—using double negatives—is almost making him sound disingenuous. Is he saying that the Government are considering extending the scheme, which is what we are asking for?

Mr. Rooker: No. I said that the scheme would close. However, we are considering each and every request that has been made to us over the summer recess by the farming and livestock communities. That is the current position. I cannot go beyond that.

Mr. Curry *rose—*

Mr. Rooker: I shall give way to one of the other former shadow agriculture spokesmen.

Mr. Curry: This one is lying fallow.

Does the hon. Gentleman agree that, unless the scheme is continued or something that has equivalent effect is introduced, there will be a real welfare problem, and that farmers simply will not pay £2.50 for a tag for a worthless calf? Does he agree also that much poor-quality beef from the dairy herd will be reared and hang over the beef market, ultimately costing the Government much more than if they had produced a scheme to take that beef out of the marketplace?

Mr. Rooker: That may be true. However, I tell the right hon. Gentleman that, although dairy farmers in particular have pressed for continuing the scheme, the animal welfare lobby and abattoir operators have welcomed the decision to end it. The matter is not clear cut, and there is no uniform support in the industry for one particular option one way or the other. It is not correct to say that there is such uniform support. It is also quite clear that it would be a considerable time—into 2000—before the effect of ending the scheme was felt in the beef industry.

I am simply trying, as concisely as possible, to tell the House that we are seriously and genuinely considering all the requests that were made over the summer recess to me, my right hon. Friend the Minister of Agriculture and other Ministers. I am not in a position to announce any decisions. Therefore, the position must today remain as we announced it in the summer. I do not want to give anyone a false impression.

Mr. Christopher Gill (Ludlow): Will the Minister give way?

Mr. Rooker: Not now, although I shall give way to the hon. Gentleman in a moment. I should like to deal with the points made by my hon. Friend the Member for Alyn and Deeside (Mr. Jones) and the hon. Member for Ross, Skye and Inverness, West.

I accept that hill farmers are facing considerable difficulties. I know that from personal experience, having visited several over the recess, professionally—as a Minister—and as a tourist in the hills. I have gone out of my way to listen to as many as possible. Nevertheless, the fact is that £600 million of subsidies will this year be distributed to hill farmers alone, so the Government's commitment to support farming in the hills is in no doubt. I make it absolutely clear that we fully intend to continue supporting it.

The autumn review of economic conditions in the uplands is well under way. The hon. Member for Ross, Skye and Inverness, West referred to the hill livestock compensatory allowance rates. These are, of course, a structural measure. It is our intention to replace the scheme with one that will deliver support more effectively to hill farmers to meet social and environmental concerns, the very points that the hon. Gentleman made, albeit in a different form of words. However, the scheme is being considered in the context of Agenda 2000, which envisages a switch from headage payments to an area-based scheme.

[Mr. Rooker]

The hon. Member for Ross, Skye and Inverness, West was a little unfair on Lord Sewel. Everyone understands that change is never easy, but we plan to consult fully on options for a new scheme later this year.

Sir Robert Smith: Will the Minister give way?

Mr. Rooker: Yes, I promised that I would give way to the hon. Gentleman.

Sir Robert Smith: Does the Minister not understand the frustration felt by the farming community as it faces the crisis now? Lord Sewel talks about the future but wants to implement the scheme in the United Kingdom before it is implemented in the rest of the European Union. Farmers in this country are operating in an open single market and, unless the Government operate by the same rules as the rest of the EU, our farmers will be made to fight the crisis with one hand tied behind their back. There will be reform, but it must involve the whole of the EU, not just the United Kingdom unilaterally.

Mr. Rooker: It is no part of Government policy that the restructuring of agriculture within the EU should be on the back of a vanguard move by farmers in this country. That would be utterly unfair, and it is not something that we would support. However, the fact is that we have to discuss the restructuring of the industry without sending the wrong signals.

Mr. Gill *rose—*

Mr. John Greenway (Ryedale) *rose—*

Mr. Rooker: With respect, I want to make progress. It is not possible to take too many interventions.

The hon. Member for Ross, Skye and Inverness, West referred to the beef ban. We understand that it is a symbolic issue for many people. Progress is being made in Northern Ireland. Movement so far has been small—I understand that 60 tonnes have so far been exported, which is a drop in the ocean. It will take time to rebuild markets, but it is a top priority for the Ministry to get the ban lifted as quickly as possible.

Mr. Gill: Will the Minister give way?

Mr. Curry: Will the Minister give way?

Mr. Rooker: No, not at the moment.

The date-based export scheme proposed by the Commission is one that we are actively negotiating in Brussels, virtually on a daily basis. The Commission has undertaken inspections in this country in recent months, which have been positive and helpful. We have a problem—

Mr. Curry: Will the Minister give way?

Mr. Rooker: No. There are problems with some of its demands in respect of bone-out beef, but we are seeking to overcome them.

The hon. Member for Ross, Skye and Inverness, West also referred to the ban of beef on the bone. No one ever claimed or demanded that it was for ever. I said as much in February when I put the relevant regulations to the House. It is self-evident that, as time goes by, different considerations prevail. The Spongiform Encephalopathy Advisory Committee and the chief medical officer will look into the problem. Everyone can count 30 months from August 1996.

We have to be careful. We do not yet have the experimental results in respect of bone marrow, so we are not yet in a position to make an announcement. However, British people know that we are taking massive safety precautions to make sure that British beef is safe. What we are doing goes far beyond anything being done elsewhere in Europe, so consumption of British beef by British people has gone up again this year—it now accounts for around 79 per cent. of our beef consumption, compared with 72 per cent. last year. People know that the checks that we have put in place ensure that British beef is safe, and confidence is returning. We are not going to take a hasty decision, but the ban was not intended to be for all time. We never hinted that it would be so, and we want it lifted as quickly as possible.

Mr. Paul Tyler (North Cornwall): The Minister has just said something that all hon. Members believe, which is that the controls on British beef are much greater and more effective than those that exist anywhere else in Europe. Will he assure the House that substandard imports of beef from other EU states and, indeed, from other parts of the world, will now be controlled, so that he can give a perfectly straightforward guarantee to the British people that they can eat British beef with safety and that they will not be subjected to substandard beef from other sources?

Mr. Rooker: I shall give the hon. Gentleman an example of something that crossed my desk only the other day. Substandard beef is a constant problem in a single market. In some ways, the European Union is the inspector of third-country imports. Recently, Australia was the subject of an EU inspection in respect of its meat industry and the processing side of it—the abattoirs and cutting plants. The EU inspectors were not satisfied with what they found, and Australia has been given six months to put its house in order. If it does not, there will be serious repercussions for its exports to the EU. That is something that happened only recently. It is a matter of public knowledge, although it did not make the headlines.

Inspections of third countries are taking place, and we do not intend to allow substandard food into this country or, indeed, into the EU as a whole. There are also problems relating to, for example, welfare conditions, with which I shall deal later.

The hon. Member for Ross, Skye and Inverness, West did not mention this, but another example of support for the industry—especially the beef sector—from the taxpayer and the Government is the start-up of the cattle movement service on 28 September. The reason why I have heard nothing about this service, either inside or outside Government, is that it is working. It works as a very successful information technology project, and I pay tribute to MAFF staff, our consultants and, of course, the industry. We have been working hand in glove for 18 months to get the system up and running.

The service's capital start-up costs and the first year's running costs represent an investment of some £35 million of taxpayers' money in the cattle industry. It could not have been done without massive co-operation. The service now has 200-plus new staff and, in the first four weeks, it issued 193,000 passports, processed 80,000 cattle movement notifications and handled some 30,000 calls from farmers. It will add credibility to our negotiations in Brussels in respect of the lifting of the ban, although it is not a requirement for it. We are well ahead of the European Union requirement for a computerised cattle tracing system, which is an EU requirement for every country by December 1999.

Mr. Lembit Öpik (Montgomeryshire): Does the Minister accept that the scheme will in effect be a tax on British farming if the Government do not enforce the same standards for imports, as mentioned by my hon. Friend the Member for North Cornwall (Mr. Tyler)? Will he confirm that he recognises that it is not only beef farmers who are affected, but those who produce pigs and lamb?

Mr. Rooker: I shall deal with pig farming. I take the hon. Gentleman's point. We imposed unilateral controls on the removal of specified risk materials on beef imported into this country. My right hon. Friend the Member for Copeland (Dr. Cunningham), the former Minister of Agriculture, Fisheries and Food, told the House that he would do it if the EU did not get its act together, and we did it. We said that we would not have that beef in this country. We are not allowed to carry out random checks because of the single market, but we check the paperwork and have advance notification of the paperwork at the ports of entry. I understand that more than one load has been sent back because the paperwork was not in order. Vigorous attention is being paid to the import of beef into this country.

Mr. Letwin *rose—*

Mr. Rooker: I shall not give way. I must move on.

The hon. Member for Ross, Skye and Inverness, West mentioned the "Buy British" policy. That suggestion comes from the Liberal Democrats who would, by and large, have had this country in the EC before 1972 without any negotiation. A "Buy British" campaign is contrary to our obligations under the treaty of Rome and would be outlawed straight away—*[Interruption.]* I am referring to the motion, which states that there should be such a policy "in central government and its agencies".

As the hon. Gentleman knows full well, we are unable to do that. It is always the point, in opposition, to ask the Government to do something that they cannot do, but that does not mean that we are taking no action. Consumers and importers of food into the United Kingdom can operate a "Buy British" policy without falling foul of the treaty of Rome, but the Government cannot, as we act for a member state.

We persuaded the Commission to make intervention beef stocks available to the Ministry of Defence. The MOD hopes that all its requirements for beef for forces serving in the United Kingdom can now be met with products of UK origin. It is also considering whether it can source some of its requirements for lamb from the UK, but that is more difficult. First, there are no intervention stocks and, secondly, frozen lamb from overseas is competitively priced and there is a problem in respect of ordering contractors to purchase from a particular area.

We will go as close to the wire as we legally can on the treaty of Rome in encouraging our importers and producers to buy British. We cannot cross the wire. We have put it to our lawyers and legal advisers that we want to go as close as we possibly can. However, as the hon. Gentleman well knows, we cannot order people to buy British.

Mr. Livsey: Will the Minister note that the National Farmers Union, the Farmers Union of Wales and the Young Farmers Clubs visited the MOD in Bath? We tried to persuade the Ministry that the British forces should eat British lamb. At present, no one serving in the Army, Navy or Air Force eats British lamb. I was informed in answer to a parliamentary question that 52 per cent. of lamb consumed by the forces comes from New Zealand and 48 per cent. comes from Uruguay. Surely that is quite wrong.

Mr. Rooker: I have just explained the position regarding lamb, to which intervention stocks do not apply. We have acted where there are intervention stocks.

The hon. Member for Ross, Skye and Inverness, West also mentioned the major problems in the pigmeat industry because the EU pigmeat regime is very light. When one gets through the jargon, that means that, by and large, pigmeat producers are not on the receiving end of what can be described in shorthand as Common Market subsidies. They have operated in what is very much an open market over the years and, as a result, they have done better than beef and lamb producers. However, over-production causes difficulties with the pricing structure, which was also badly affected by the massive fire in Northern Ireland which created catastrophic problems. It is a vital sector of the industry. Total annual production is 1.3 million tonnes, worth more than £1 billion at the farm gate. The sector is very much reliant on the market, so scope for Government action is extremely limited.

The UK supported a Commission proposal for a scheme providing aid to private storage which came into effect on 28 September. It will allow payment for storage for four to six months, although rates may vary according to the length of storage and the cut. I hope that that will have a steadying effect on the market. We need an orderly pattern because of the massive disruption caused by the economic problems in Russia. Most people do not make the connection between events in Russia in recent months and the effect on European producers. I did not know until the issues were raised and we asked questions about them that the biggest purchaser of lamb skins from the United Kingdom was Russia, which has been completely wiped out as a market because of the catastrophic problems there. Of course that has caused difficulties for our producers.

The motion refers to prompt payment to farmers. I repeat that we are making excellent progress and I can confirm that advance payments under the beef subsidy scheme will begin early next week. The second advances under the sheep annual premium will follow shortly after that.

[Mr. Rooker]

As I said earlier, we have agreed with other member states that the advance payments on the beef premium schemes will bring an increase of £100 million six months earlier than would otherwise have been the case. We have also made a prompt start on this year's arable area payments—98 per cent. of the advance oilseed payments were made by the end of September. The main arable payments started last week and are due for completion by the end of December. By the end of October, 40 per cent. of the payments will have been made. We are making massive progress in trying to speed up the payments of those subsidies to our farming communities. I understand that cash flow is extremely important.

The hon. Member for Ross, Skye and Inverness, West—joined by the Conservatives—made his usual attack on agrimonetary compensation, not a penny of which was ever paid by the Conservative Government. For the avoidance of any doubt, there is no agrimonetary compensation in the kitty for sheep farming; at present it applies only to beef and cereals, so we must not give the impression that demanding the payment of agrimonetary compensation will help the sheep sector.

Mr. Gill: In respect of agrimonetary compensation, does the Minister recognise that the present crisis in agriculture is far more serious than it was under the Conservative Government? If the objection to paying agrimonetary compensation is based on the fact that the Treasury has to pay 71p for every £1 that is paid to the industry, does he recognise that, notwithstanding the fact that 71 per cent. has to come from the Treasury, every £1 going into the industry counts at this time of crisis? Inevitably, every £1 going into the industry finds its way back into the general economy and is good for jobs and services in the rest of the economy and, inevitably, the Treasury gets some of that money back in taxation.

Mr. Rooker: How can the hon. Gentleman dismiss with a flight the fact that 71 per cent. of the money comes from the British taxpayer because 100 per cent. goes into the sector? I have to say to the hon. Gentleman, whom I respect enormously for his contributions to debates, not least the number of his Adjournment debates that I have answered, that the Government cannot ignore that. Neither the Treasury nor any other Ministry can ignore the fact that 71 per cent. of the money will be paid by the British taxpayer. Hon. Members should remember that we paid £85 million of agrimonetary compensation to the livestock sector earlier this year in recognition of the exceptional circumstances. We recognise the current difficulties and we are keeping the situation under review. We shall continue to meet farming unions and other interested organisations and we are keenly aware of their case. I make no bones about it, as I said in my opening remarks.

Let me say a few words about producer negotiating power. I make no attempt to be a spokesperson or defender of the supermarkets. Far from it—they are more able to speak for themselves and have more money than my Ministry. Producers have to be able to deal effectively with major buyers in a global market. The UK has a historical and cultural problem in that the agricultural sector has been slower than others to respond. There is sometimes embarrassment when I ask farmers about getting together and working as producers. The fact that, for whatever reason, they have not done so in the past has allowed them to be the victim of a pincer movement by the supermarkets. The Ministry gives every encouragement—as it did under the previous Government—to any initiatives within the farming interest to encourage producers to get together and not to be isolated and picked off by those who have control of our food chain.

Mr. Paddy Tipping (Sherwood): Do not supermarket chains have enormous power? It must be right that British meat, which is of the highest quality, produced with good animal welfare standards, should be promoted and sold in our supermarkets. The reductions in prices at the farm gate should be passed on to consumers. Will my hon. Friend talk strongly with supermarkets to ensure that British farmers and British consumers get a fair deal?

Mr. Rooker: I can certainly answer yes to my hon. Friend's main question. My right hon. Friend the Minister of Agriculture and I are meeting representatives of the British Retail Consortium next week. We have been discussing the issue throughout the summer because of the apparent mismatch and some of the media stories. We have looked for evidence. The Ministry has neither the expertise nor the power to demand information about prices at different points in the chain, between animals leaving the farm and the meat arriving on our supermarket shelves. There has been great suspicion in the media that some of the practices of some retailers are not helpful to our farming industry—that is a polite way of putting it.

We welcome the efforts made by many retailers to ensure that their sourcing practices meet or exceed consumer expectations. I was talking to one of the supermarkets last week. I shall not name it—it is not one of the big four, but it is the fifth one; small in terms of food, but big in the high street. I was told that from 1 January it will require its suppliers of any imported pigmeat—be it bacon or Parma ham—to meet the same welfare standards as British producers. If those standards are not met, the supermarket will not import the meat. That is a fair point. The supermarket does not need the force of the Government—we have no legal authority in that area—but it is right and proper that that is being done. In due course, the supermarket will make known its policy to give it a competitive edge and to show what it is doing to help British industry. The message is: "We are interested in animal welfare; we want standards to be driven up; and we will use our purchasing power to do that." That is what that chain has said openly to me. I encourage all others to follow that example.

We have to be very careful or we shall end up pushing down the road to price controls and a fixed market. We know that that leads to empty shelves in shops. That is the reality that we have seen from the siege economies of the Soviet countries.

Mr. Norman Baker (Lewes): Will the Minister look at the labelling laws, which allow imported chicken from Thailand to be labelled as British because it is processed in this country, even though it was reared under conditions vastly inferior to those in this country?

Mr. Rooker: Under the beef labelling scheme, beef must be reared, slaughtered and packaged in this country to be called British. The same rules do not apply to

poultry, but we are making moves in the European Union to rectify that. People must not be misled by labelling. The words "Packaged in the EU" do not mean that a product was produced by a European Union farmer or food producer. People have to look at labels carefully. We want more progress on making labels meaningful. We do not want them to give a false impression that produce was nurtured by European Union farmers. The hon. Gentleman is right to make that point. Some of the issues can be dealt with on a voluntary basis, but there are difficulties with labelling. As a member of the European Union, we have to ensure that we get EU-wide agreement, otherwise it is nonsense for our farmers.

Mr. Michael Colvin (Romsey) *rose—*

Mr. Rooker: This is the last time that I shall give way.

Mr. Colvin: I should like to declare an interest, as a farmer. The Minister mentioned supermarkets earlier and talked about price regulation. He is no doubt aware of the Office of Fair Trading report that suggested that the big four supermarkets were operating a cartel. How soon will the Monopolies and Mergers Commission report be available, so that we can know whether a free market is operating among the supermarket chains?

Mr. Rooker: I cannot tell the hon. Gentleman. I have not referred to that because I cannot cover every point. There is an inquiry going on. The Welsh Affairs Committee produced an important report earlier in the year. It is right and proper that some of the concerns that were highlighted should be investigated by the competition authorities as soon as possible. However, I have no information on that and we cannot interfere during the inquiry.

The first point that the hon. Member for Ross, Skye and Inverness, West raised was on the Food Standards Agency. It is one of the most popular promises in the Labour party manifesto. I do not remember any of the 1,100 submissions that we received on the White Paper earlier this year opposing the establishment of an agency. Obviously, there are different views about its powers, structure and charging. Last Friday, I was at a one-day conference in York organised by the Food Advisory Committee—the Ministry's most important committee on the subject—on that and related issues. The whole food production chain was represented and every speaker was in favour of the concept of an agency. I cannot pre-empt the contents of the Queen's Speech on 24 November. The Government are determined to take the Food Standards Agency project forward. I cannot say whether there will be a slot for the Bill in the next parliamentary Session, but my right hon. Friend the Minister of Agriculture will outline immediately after the Queen's Speech how we shall proceed. We have a manifesto commitment to deliver a Food Standards Agency. However, I cannot go into greater detail because of the nearness of the Queen's Speech.

There have been unfounded press reports on the subject. There has been no back-door or front-door attempt in the Ministry to neuter the Food Standards Agency. I have heard no suggestion of that and neither have my civil servants. There have been arguments about nutrition, but everyone accepted the compromise reached in the White Paper "The Food Standards Agency: A Force for Change". There has been no backtracking on that. Our commitments remain as they were earlier in the year.

Mr. Charles Kennedy: I appreciate that the Minister cannot anticipate the contents of the Queen's Speech, although if the commitment was one of the most popular in the Labour manifesto, as he says, it would be perverse in the extreme if it did not appear in the first two Queen's Speeches of the Parliament.

The restructuring of the Ministry of Agriculture, Fisheries and Food is a related issue. What will be the relationship with the Department of the Environment, Transport and the Regions on planning, and with the Department of Health on health issues? Even if legislation does not come forward immediately, thinking about the Food Standards Agency must be pretty well advanced. What is envisaged for the future of the Ministry? Will we have a Ministry for the countryside? If so, will it have a planning remit?

Mr. Rooker: That goes much wider than the Food Standards Agency. I could take another 10 minutes on that, but I want to conclude. The key area is the relationship of the Ministry with the Department of Health. The joint food standards and safety group is a unified group across both Departments, headed by one civil servant reporting to Ministers in both Departments. All key decisions on food standards and safety are taken jointly by MAFF and the Department of Health. There is no unilateral action. The joint group consists of 300 civil servants, of whom 250-odd are from MAFF and the rest are from the Department of Health. It is headed by a civil servant of great seniority—a Department of Health civil servant who was already on secondment to MAFF. It operates as a unified structure across both Departments and is working very well. As I heard last Friday in York, all the outsiders who have contact with it speak with great respect about how they are treated. The future of the Ministry and our relations with the Department of the Environment, Transport and the Regions are matters for the Prime Minister and go well beyond this debate.

Agriculture is intrinsic to the rural economy. We grow our food in the countryside. Some 70 per cent. of the country is used for food production—a very different situation from that in Canada or the United States, as my right hon. Friend the Minister of Agriculture and I said last week to the House of Lords Select Committee investigating genetic modification. It is clear—there is no secret—from what my right hon. Friend has been saying on the record recently that we shall be making an announcement as quickly as possible on our decisions on the requirements of agriculture and the food production industry in this extremely difficult period. Prospects for the immediate future do not look good. I regret that I had to say that a year ago, too.

We are looking at a package of measures. We must ask ourselves what the package is for. It must meet short-term needs and not destroy the industry or grow like Topsy and make long-term restructuring more complicated. That would not serve anybody's purposes. That is one of the reasons why we are moving as quickly as we can towards bringing forward payments. We understand the urgency of the situation and will make our conclusions known to the House as quickly as possible.

8.20 pm

Mr. Tim Yeo (South Suffolk): I warmly welcome the fact that the House is debating agriculture. I congratulate the Liberal Democrats on choosing the subject for this half-day debate. Alas, I am not able to congratulate the hon. Member for Ross, Skye and Inverness, West (Mr. Kennedy) on the way in which he opened the debate. The first quarter of his speech was devoted to an extraordinarily trivial series of party political points. When he reads *Hansard* tomorrow, even he will be ashamed of the way in which he opened the debate. Even the deplorably low standards of the Liberal Democrats were plumbed to a new low.

The Conservative party believes that the crisis in agriculture is far more important than scoring party political points. *[Interruption.]* That seems to be a matter of mirth on the Government Benches. The Conservatives had decided that half of the first Opposition day available to us following the summer recess would be devoted to this very subject. The seriousness with which we take the issue is reflected by the presence of not only my hon. Friends the Members for Cambridgeshire, South-East (Mr. Paice) and for Teignbridge (Mr. Nicholls) but my two predecessors, my right hon. Friends the Members for Skipton and Ripon (Mr. Curry) and for Fylde (Mr. Jack). I am delighted that they continue to take an interest in the subject.

I shall turn in a moment to the comments of the Minister of State, Ministry of Agriculture, Fisheries and Food, the hon. Member for Birmingham, Perry Barr (Mr. Rooker), but must first say that I had expected by now to be responding to a speech from the Minister of Agriculture. I am amazed that he did not choose to speak in this debate. He has been in the job for 13 weeks—is that not long enough? He said on television yesterday that he knew that agriculture was going through difficult times, but does he understand just how difficult? At this very moment, farmers who are on the verge of quitting a way of life that has sustained them, their parents, their grandparents and, in some cases, many generations before that are waiting to hear from him. Their decisions may depend on whether hints of a rescue package, which have been so tantalisingly dropped over the past few days, turn out to be true or false.

The Minister has spent much of the past 13 weeks trying to show that he is different from his predecessor. I grant that he has had some success—although the standard by which he has been judged is not a very demanding one. This evening, that hard-won progress has been thrown away. For as long as the Minister occupies his new office, on which his predecessor lavished so many hundreds of thousands of pounds just when he was cutting help for Britain's poorest farmers, he will be known as the Minister who refused the chance to debate the worst crisis to hit agriculture for half a century.

After a two-and-a-half month parliamentary recess, during which conditions in farming have steadily worsened, the Minister has nothing to say. His silence today confirms what we all knew: new Labour does not care about the countryside. As far as the Government are concerned, farmers can go bust. Perhaps there is a reason for the Minister's silence; perhaps he does not know what to say. On this issue, as on so many other countryside issues over the past year and a half, Ministers have moved from denying that there is a problem, through panic at discovering that there is a problem, to confusion about how to tackle that problem.

Last week, the spin doctors were hard at work. On Saturday, we read that a package of help was to be unveiled by the Minister after the Prime Minister—no less—had intervened. On television on Sunday, 24 hours later, the Minister denied that. On Sunday morning, the newspapers said that the Prime Minister had asked the Minister to investigate supermarket prices. Then, on television, the Minister denied that as well. Just what is going on? Who is in charge of agricultural policy? Is it the Minister, No. 10 or the spin doctors? Those issues are too important to be trifled with in such a misleading way. I hope that, when the Minister eventually has something to say, he will say it in the House and not try to leak it to the newspapers through spin doctors, as he and his colleagues have clearly been doing over the past few weeks. The situation is too serious for that.

As the president of the National Farmers Union, Ben Gill, pointed out yesterday, farm incomes this year will probably be less than a fifth of those two years ago. In case anyone thinks that that is just like a few City dealers losing their Christmas bonus, I remind the House that average farm incomes in Wales last year were less than £160 a week and less than half that this year. That is an insulting reward for a demanding job. I notice that the issue is not one about which Labour Members have much to say at the moment. Many farmers are working for pay below the minimum wage. Indeed, it is hard to find a price of any commodity that is not lower than it was in May last year.

This crisis will destroy many farmers. Businesses that have provided a living for two or three people for generations are disappearing. Closure of a microchip factory in the north-east may make the headlines, but the trauma for the men and women who are being forced off the land every week by a Government who do not care is just as great. The crisis is not just hurting farmers and their families; it is hitting the entire rural economy.

Mr. Öpik: Does the hon. Gentleman agree that the crisis to which he refers is most particularly hitting smallholdings and family farms, which have existed for generations but could be pushed entirely out of the industry?

Mr. Yeo: The hon. Gentleman is quite right; I fear that that is exactly what is happening.

The Secretary of State for Trade and Industry would probably say that the idea of helping farmers was pretty gut-wrenching, but if farmers—large or small—do not survive, many other businesses in other industries will be threatened, too. The effects of the agricultural depression which is only just around the corner will not be confined to the economy. Soon, the entire fabric of our countryside will deteriorate. Those beautiful landscapes, which are cherished even by urban dwellers, and those precious green fields—if, indeed, any survive the Deputy Prime Minister's attempt to cover them with houses—will suffer neglect.

I do not suggest that all the problems in agriculture started on 1 May last year. Some of them are clearly long-term difficulties. The tragedy is that, faced with such problems, the Government do things that time and again

make matters worse. The average strength of the pound over the past 18 months of Labour Government has been a serious problem for many farmers. That is the direct result of Government policy. If a Government choose to tax savings and investment and announce spending increases without knowing how they will be paid for, inevitably, financial markets worry, interest rates are forced up and the pound starts to rise. The level of the pound is nothing to do with what the Bank of England has done and everything to do with what the Government have done.

Let us take the problems of the beef industry. Instead of trying to boost confidence in British beef, the Government ban beef on the bone.

Sir Robert Smith: Given what the hon. Gentleman has said about the fault not being the Bank of England's, does he support the independence of the Bank of England, now that he is happy with the way in which it is behaving?

Mr. Yeo: The hon. Gentleman does not appear to have followed my argument. The point is that, if the Government give the Bank of England a remit but then follow policies such that the only way that the Bank can achieve that remit is by raising interest rates, it is the actions of the Government, not those of the Bank, that have led to higher interest rates.

Mr. Bob Blizzard (Waveney): If the hon. Gentleman is so concerned about the effect of exchange rates on the farming industry, why does his party show no interest in what the National Farmers Union wants—early entry into the European single currency—and instead rule that out for 10 years? How can the Conservative party be the farmers' friend when it would deny farmers what they want for the next 10 years?

Mr. Yeo: How farmers react depends entirely on the level at which we enter the single currency and on the relationship between sterling and the euro. The single currency solves no problems for farmers if, at the point of entry, the relationship between sterling and the euro is the wrong one.

Beef is a more immediate issue for farmers. Instead of trying to boost confidence in British beef, the Government chose to introduce the ban on beef on the bone. The previous Minister of Agriculture said that banning beef on the bone would help to get the European Union to lift the export ban, but it has totally failed to do so. Indeed, the ban on beef on the bone now appears to have become part of the problem. Lifting that ban would not cost consumers, taxpayers or farmers a single penny and it should be lifted today. If the Government do not lift it, there is a risk that the EU will try to make it permanent. What an extraordinarily disgraceful outcome that would be—a gratuitous act against British farmers committed by the Labour Government.

Mr. Gordon Prentice (Pendle): Is it not true that the controls in abattoirs that we were promised by Conservative Ministers were not rigorously enforced? The Labour Government have to deal with that problem, which was created by the Conservatives.

Mr. Yeo: The hon. Gentleman might be aware that the ban was described by the Selkirk sheriff court as "a manifest absurdity". It was described by the Institute of Trading Standards as "unenforceable". That underlines how ludicrous it is to attempt to introduce a ban to reduce an almost unmeasurably small risk. There is more risk of being killed by a lightning strike than by eating beef on the bone.

Mr. Rooker: The ban on beef on the bone was introduced on the advice of the Spongiform Encephalopathy Advisory Committee and the chief medical officer. If we had not introduced the ban, we would have been the first Government knowingly to allow BSE—at whatever level—into the food chain. We are not yet aware of the results of the experiments on bone marrow, and for the hon. Gentleman to advance his arguments on the very day that the families are before the BSE inquiry is quite despicable.

Mr. Yeo: I do not think that the ban was justified when it was introduced; I do not think that is has been justified at any stage since its introduction; and I certainly do not think that it is justified today. I maintain that the ban on beef on the bone should be lifted forthwith.

Mrs. Angela Browning (Tiverton and Honiton): Does my hon. Friend recall that, when the Minister banned beef on the bone and we debated the subject in the House, I put it to him that, if he were genuinely concerned about human health, he would ban those bovine bones, classify them as specified bovine material and have them properly disposed of? However, it is the only part of the bovine carcase for which advice has been given stating that it should not enter the human food chain that is not properly disposed of. That shows how bogus the Minister's argument is.

Mr. Yeo: My hon. Friend speaks with great expertise and passion on the subject and she is absolutely right.

Mr. Curry: Would not my hon. Friend be more convinced by the Government's argument in respect of beef on the bone if there were any consistency in the Government's treatment of green-top milk? Why is green-top milk apparently unsafe for Scots to drink, but safe for the English to drink? Actuarially speaking, is not the risk from such milk far greater than that from beef on the bone?

Mr. Yeo: My right hon. Friend is absolutely right, and I hope that the Minister will address that point when he winds up the debate.

I welcome the signs of a rethink on the end to the calf processing aid scheme, although it appears that, on this subject as well, the Government are in a state of confusion. The Minister said that he was not thinking of extending the scheme, but that he was reconsidering the present position. I hope that he will sort out his views on the subject as soon as possible.

I realise that the Minister might encounter difficulty with the Treasury, which has been no great friend to the Ministry of Agriculture, Fisheries and Food—MAFF was one of the Departments that did particularly badly under the terms of the comprehensive spending review. Presumably, the Treasury is one of the reasons why the Minister will not access further agrimonetary

[Mr. Yeo]

compensation, although that might also remain in the balance—the Minister was not absolutely clear on that point.

Still on the subject of money, I come to the hill livestock compensatory allowance. The Secretary of State for Wales let the cat out of the bag when he said, in the context of the hill farming review, that there was no money available. Will the Minister confirm that? A fat lot of good the consultation process will be if the decisions have already been set in concrete, but the public has not been told.

While the Minister tries to persuade his colleagues that farming is in crisis, may I suggest five things he could do instead, none of which involves public spending? Although one or two might require him and his colleagues to stick up for British interests in Europe to a greater extent than they have been willing to do so far, all five would help to secure a fair deal for British farmers—a chance to compete on equal terms.

Mr. Hilton Dawson (Lancaster and Wyre): Would the hon. Gentleman care to remind us exactly who got us into such a dreadful mess over the beef export ban and the subsequent debacle affecting British agriculture?

Mr. Yeo: The hon. Gentleman has just illustrated more eloquently than I could why we are in such a mess. If Labour Members do not understand that the situation affecting farming is infinitely more serious today than it was two years ago, there is little hope that Ministers will be persuaded to take the action that is needed.

Mr. Dawson: Will the hon. Gentleman give way?

Mr. Yeo: No, not again. The hon. Gentleman has demonstrated such ignorance of the issue, it is not worth wasting the House's time.

The first part of the fair deal is that we want farmers to have a fair deal when competing against imports. Pig farmers are now producing under conditions that, quite rightly, are more demanding than in the past. Their competitors abroad will not have to meet those conditions for several years, yet when bacon appears on the supermarket shelf, how is the shopper to tell whether or not it comes from a humanely reared British pig? Is it right for consumers to be offered pigmeat products produced under conditions that are not allowed in this country, without their being warned that that is the case?

Against a background of rising bankruptcies in the pig farming sector, will the Government encourage retailers to ensure that consumers know whether or not the pig from which the product on the shelf has come was reared in Britain? If the Government will not give that encouragement, every pig farmer in Britain will know that the Labour Government are not on his side. Every consumer in Britain will know that the Minister is happy to deny him or her a chance to support a home industry that is leading the way towards higher animal welfare standards.

Mr. Tyler: I am delighted to hear that the hon. Gentleman now supports the policy that we urged the previous Conservative Government to adopt. Can he explain why he has undergone such an amazing transformation? Is it a case of the swine going over the cliff?

Mr. Yeo: I am amazed to learn that, even after the interventions from Labour Members, the hon. Gentleman has not spotted that there has been a sea change in the extent of the problems facing farmers. The situation facing pig farmers today could not be more different than the one facing them when the Conservative Government were still in power. If the hon. Gentleman has not bothered to go out and talk to enough farmers to discover that for himself, what hope is there for the Liberal party?

Mr. Colvin: My hon. Friend referred earlier to 1 May last year. It might be of interest to hon. Members to hear from a working farmer whose family normally benefits from about a 1 to 2 per cent. return on capital invested in our farm. On 1 May last year, we had profits almost equalling my salary as a Member of Parliament—about £45,000. Over the past year, under the Labour Administration—I do not blame them entirely—that profit, which was fairly regular, has turned into a loss of £60,000. That is a graphic illustration of what my hon. Friend is telling the House. There has been a drastic collapse of farming across the country, not only in hill areas.

In Hampshire, where I farm—it is probably one of the most innovative and successful counties in the country—every sector of farming is being hit. Admittedly, the smaller farms are coming off worse, but the whole industry and the rural economy are being drastically hit.

Mr. Yeo: My hon. Friend clearly points out how severe are the difficulties that farmers now face. In view of the extent of those difficulties, it is right for the Conservative party to state that new responses are needed to deal with a wholly new position.

The second part of the fair deal for farmers is to cut the burden of regulation. As we are running short of time, I shall give only one example. Four weeks ago today, the Meat (Hygiene and Inspection) (Charges) Regulations 1998 came into force. That involves a massive increase in the supervision of abattoirs by official veterinary surgeons and meat inspectors. A small abattoir in Norfolk now faces the prospect of having two slaughtermen overseen by four supervisors. Does the Minister believe that the same degree of regulation will be applied evenly across the European Union? What is the cost of implementing those regulations? In view of his party's commitment to open government, will he release the so-called reasoned opinion document in which the European Union attempts to justify that interpretation of the regulations? If he is unable to answer those questions tonight, will he write to me and place a copy of his letter in the Library?

The third part of the fair deal for farmers concerns the Government's purchasing policies. The Minister explained that he cannot have a "Buy British" policy, but it seems that the spin doctors have been at work here. They are keen to suggest that Ministers are trying to encourage the buying of more British food.

Six weeks ago, I wrote to the Secretaries of State for Health, for Education and Employment and for Defence and the Home Secretary to ask about the policies followed for buying food in hospitals, schools, prisons and the

armed services. So far, not one of those four Ministers has replied to my letter. It does not seem that helping the British farmer ranks very high in their priorities, but it so easily could. Will the Minister tell the House what discussions he is having with his colleagues? Will he ask them to answer my letter before another six weeks go by?

The fourth part of the fair deal for farmers concerns supermarkets, which are a popular target at the moment. Many retailers in Britain are highly efficient because they have responded to consumer tastes. They exercise great power, especially in relation to farmers, and that power carries responsibility. Supermarkets have some explaining to do about why falling farmgate prices are not reflected on the supermarket shelf. It is not in their interests or those of the consumer for large numbers of British suppliers to go out of business. Imported alternatives may not always be cheaper. I am glad that supermarkets such as Asda have responded to public opinion about lamb. I hope that they will show the same sensitivity over prices. The catering trade might also think about how it can help British farmers.

The fifth and final point about the fair deal for farmers concerns the wider issue of the Government's attitude to the countryside. Rural communities whose incomes are falling face serious challenges. Their morale and, therefore, their ability to cope with those challenges are greatly weakened by a series of Government attacks on the rural way of life, including the threat of a law giving an unrestricted right to roam, the attempt by Labour Members to ban traditional country sports and the cut in cash support for councils in rural areas. When will the Government abandon those attacks on the countryside?

Does the Minister realise that the first sign of whether the Government have had a change of heart will come when the Deputy Prime Minister announces the distribution of the revenue support grant—the cash support for councils for 1999–2000? That announcement is only five weeks away. Will the £100 million taken from the rural councils by Labour last year be given back this year? Has the Minister pleaded the cause of the countryside with the Deputy Prime Minister? Does he realise that the decision will be a litmus test of whether the Government's hostility to the countryside continues?

Those five issues form the core of the Conservative party's fair deal for farmers. They will not cost a penny of public money. They do not need European Union approval. All could be achieved right away. Of course the list is not exhaustive; there are plenty of other measures, such as improving cash flow by accelerating integrated control and administration system payments. Time does not allow me to deal with all the important issues; there will be other opportunities to do so.

The subject of the debate is crucial. Many questions have been asked and not many have been answered. The Minister must understand that the delay in responding to the crisis in agriculture will not only be a political embarrassment but damage the industry, hurt thousands of small businesses and weaken the morale of men and women across rural Britain. The Opposition are ready to support any measures proposed by the Government that will deal with the crisis, but we suggest that the Minister makes a start by accepting our proposals for a fair deal for British farmers.

8.45 pm

Mr. Huw Edwards (Monmouth): I rise to speak in this debate as a member of the Select Committee on Welsh Affairs, which in the past few months has produced a detailed report on the crisis in livestock in Wales and recommended that the role of supermarkets should be referred to the Office of Fair Trading. We await the outcome of that investigation.

I speak also as a Member who represents a constituency where agriculture is the dominant industry. Nobody can deny that it is an industry in crisis. Six or nine months ago, farmers in my constituency who were affected by the beef ban were saying, "At least the price of lamb is holding up." I am afraid that, over the summer, the price of lamb has plummeted, which has affected farmers throughout my constituency and throughout Wales.

On top of that, this weekend we had some of the most severe floods that south Wales has experienced for 20 years. I shall never forget witnessing the distressing sight of dozens of drowned sheep at a farm near Abergavenny, or hearing stories of cattle floating down the River Usk being rescued by farmers. As if there has not been enough of a crisis for farmers, they had to experience those traumas. I take this opportunity to pay tribute to all those involved in helping during the aftermath of the floods: the police, the fire services, public servants, local authority workers and all the volunteers, such as councillors, who assisted my constituents and those of other hon. Members.

There is undoubtedly a crisis. It is estimated that 15 per cent. of farmers may go out of business in the next two years. In Abergavenny market a few weeks ago, lambs were selling for £1 per head.

Mr. Öpik: Is the hon. Gentleman aware that that is also common in Welshpool and mid-Wales? Only this morning, a farmer received, after commission had been subtracted, a net income of £8.69 for 44 cull ewes. That is even worse than the price quoted by the hon. Gentleman.

Mr. Edwards: The hon. Gentleman has a strong interest in the matter, and I do not deny the figure that he quoted.

There is a crisis in farming which needs to be referred to the social exclusion unit. We have never sufficiently applied the concepts of social inequality and poverty to people in rural areas, and now is the time to do so.

I welcome my right hon. Friend the Minister of Agriculture, Fisheries and Food to his post and I congratulate him on having the guts to face the farmers who attended the rally at Blackpool football club at the beginning of the Labour party conference.

Mr. John Hayes (South Holland and The Deepings): Will the hon. Gentleman give way?

Mr. Edwards: Not now.

That must have been the biggest crowd that Blackpool football club had seen since the great days of Stanley Matthews. People were not there to watch Labour Members beating the press in a football match earlier that morning. I do not underestimate the significance of that rally—8,000 farmers attended, as did I and other Labour Members.

[Mr. Edwards]

The new Minister showed that he has an understanding of and an empathy with the farming community and its crisis. He showed farmers that there is a commitment to getting the beef export ban lifted by Christmas and that a package of short-term measures will be introduced as soon as possible. He demonstrated that he will consider agrimonetary compensation and consider extending the calf processing scheme, and that he will make progress on the date-based export scheme. He will also consider the early retirement scheme. I understand that some 8,000 farmers in Ireland have taken early retirement, and I hope that such a facility will be made available to farmers in Britain also.

Mr. Hayes: I am grateful to the hon. Gentleman for giving way. I acknowledge his comments about the new Secretary of State. Is he not as disappointed as I am—and as all the farmers of Britain will be—that the Secretary of State is not present for tonight's debate? What signal does that send to rural Britain and to the farmers who have been so badly hit?

Mr. Edwards: My right hon. Friend has attended the debate, but I shall continue with my speech. Wherever the Secretary of State may be, I hope that he is working in the interests of British farmers.

I think that macro-economic policy can make a greater contribution. I looked through the quarterly bulletins of the Bank of England and I found no recognition of the rural economy. There is information about manufacturing prices and factory gate prices, but there is nothing in macro-economic discussion and deliberations about farm gate prices and the impact of interest rate policy on the farming community.

The Governor of the Bank of England has been in trouble in the past week as a result of certain comments that he is alleged to have made. I suggest that the Monetary Policy Committee should meet not just in Threadneedle street, but in the community. Perhaps it should start in the north and explain what the Governor meant to say last week. The committee could visit Wales, Northern Ireland and the regions of the United Kingdom, and see the impact that its deliberations have on our rural communities. I suggest that the committee visits Abergavenny on a Tuesday afternoon following market day to see the impact of its policies and deliberations on the farmers in my constituency.

I also urge the Treasury to look in more detail at the social and economic costs of a recession in farming. There is little discussion of that topic. When there is a crisis in manufacturing, there is considerable public debate about the problem. However, there is hardly any public debate about the crisis in the rural economy and hardly any consideration of the social, economic and financial costs to the rest of the community.

Mr. Jack: Will the hon. Gentleman give way?

Mr. Edwards: No, I will not. The right hon. Gentleman may wish to speak in the debate so I shall draw my comments to a close as quickly as possible.

We clearly need a new long-term strategy, which includes the overhaul of the common agricultural policy. This country cannot be paralysed by Europe. Like the Irish Government, the British Government must have more scope for determining agriculture policy. We have received some good news in Wales in the past few days as it is likely that we shall be eligible for objective 1 status. However, I make one suggestion about the use of those funds should they be secured by Wales.

The Welsh Grand Committee recommended that there be support for the construction in this country of a large-scale freezer facility for lamb. Apparently there is no such facility in the whole of the United Kingdom. I hope that the Government will consider using objective 1 funding to construct such a facility, to construct more and better slaughtering facilities, to improve infrastructure throughout Wales and to improve transport.

We have seen in Wales the amalgamation of the Welsh Development Agency and the Development Board for Rural Wales. My area of Wales was never within the sphere of the DBRW, but it will now be covered by the new, revised Welsh Development Agency. I hope that the agency will consider how it may invest in agriculture and in agricultural infrastructure in the same way that it has invested successfully in manufacturing in Wales.

Our universities and further education and agricultural colleges can clearly play a greater role in agriculture. People in the farming industry do not have the opportunities for retraining that are available in other areas of business. Our agricultural and further education colleges and business schools could do more to assist farmers in improving their basic skills and gaining business skills.

There is no doubt that farming is in crisis as a result of a combination of world market conditions, the substantial costs of the BSE crisis, the control of the supermarkets and the failure of long-term policy throughout the whole post-war period—apart from the immediate post-war period when there was a British agricultural policy. Governments of both political persuasions must take some of the blame for the lack of a long-term policy. The Government recently conducted a strategic defence review and they should establish a strategic agricultural review as well.

Farmers produce the food that makes our people healthy and they tend the beautiful countryside. However, they receive scant rewards for their efforts at present. Our farming community deserves a better deal and I urge the Government to do all in their power to respond to its great needs.

8.54 pm

Mr. Michael Jack (Fylde): I listened to the speech by the hon. Member for Monmouth (Mr. Edwards), but I am afraid that I did not hear him denounce the independence of the Bank of England, which led to the interest rate policy that has forced up sterling. That lies at the heart of the rural crisis on which this debate has touched so far. I did not hear the hon. Member for Lancaster and Wyre (Mr. Dawson) denounce that self-same policy in his intervention. I did not hear either of those hon. Gentlemen denounce the ban on beef on the bone. Labour Members are long on the rhetoric of denunciation when it comes to the previous Government's policies, but short on doing something tangible to benefit the farming communities whom they purport to represent.

I turn initially to the bizarre speech by the hon. Member for Ross, Skye and Inverness, West (Mr. Kennedy). He is so interested in the debate that he has left the Chamber and is not here to face the music.

Mr. Tyler: Will the right hon. Gentleman give way?

Mr. Jack: I shall make this point and then give way with pleasure to the hon. Gentleman.

The hon. Member for Ross, Skye and Inverness must think that he is still on the "Any Questions?" programme last week when he did his usual humorous turn. It appears that he forgot to switch off when he entered this Chamber to contribute to the debate. I listened carefully to his speech in the hope of hearing coherent Liberal Democrat policies on pigs, poultry, livestock prices, the Government interest rate policy, the issue of farm suicide, tertiary industries in agriculture, the calf processing aid scheme and the strength of sterling. However, the hon. Gentleman set out no such policies.

Mr. Tyler: I was going to point out that many of the right hon. Gentleman's colleagues left the Chamber when he rose to speak, but that would be uncharitable. I have two questions for the right hon. Gentleman. First, does he recall that the previous Conservative Minister of Agriculture, the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg), supported the beef on the bone ban? Secondly, in view of the fact that the right hon. Gentleman appears to support our motion, will he give an undertaking to vote with us in the Lobby tonight?

Mr. Jack: The hon. Gentleman has illustrated how some hon. Members chose to oppose—as we did—the ban on beef on the bone. Other hon. Members talked at length about their support for farmers, but were short on acting to do something about it.

There was no constructive content in the speech by the hon. Member for Ross, Skye and Inverness and I repeat my comment that I am disappointed that he is not present to listen to the rest of the debate. I believe that we are entitled to know the Liberal Democrats' views. If the motion is the product of constructive opposition, every constituency represented by a Liberal Democrat Member of Parliament knows that it has won absolutely nothing for its agricultural communities by voting Liberal Democrat.

There could be no finer illustration of that fact than a glance at the latest piece of paper produced by the Ministry of Agriculture, Fisheries and Food. In my mail today, I received a piece of paper that purported to come from the Minister of Agriculture, Fisheries and Food, headed "Agriculture Latest". It is so late that I have not received a copy until edition No. 12. It purports to come from the Minister, but is signed by his special adviser. In it we see a list—totalling some £145 million—of the aids that are supposed to have gone to farming.

It is remarkable how the Government put spin on everything. They forget the fact that they did not maintain HLCAs at the £160 million figure at which we left them, and they forget that that cost farming £35 million. They have completely forgotten the fact that, even now, when a quarter of a point has been taken off interest rates, farmers must pay very substantially more for their ever-increasing amounts of working capital, which wipes out, at a stroke, whatever help the Minister of State listed in his remarks.

There is even a difference between Labour Front-Bench and Back-Bench Members. I pay tribute to the hon. Member for Monmouth. He was honest when he said that there was a crisis in agriculture, but I remind him of the way that Ministers describe it in the document "Agriculture Latest":

"Farmers are facing considerable difficulties".

That is the way in which the Ministry of Agriculture describes it—"considerable difficulties".

Ministers have variations on that theme. I wondered whether, during this period of learning and consulting with the farming industry, MAFF had come up with any constructive ideas. I looked at the titles of the MAFF October press releases. What do we find that Ministers are busy doing during this period of considerable difficulty? They are issuing press releases on "Changes to Licensing Arrangements for Killing or Taking of Bullfinches". It may be very important to bullfinches, but it is not exactly relevant to the crisis in British agriculture.

A MAFF study was published, which confirms that wild boar are in the countryside. Judging by the Minister of State's boring speech, I think that some have penetrated into the House of Commons tonight, because I find the way in which the Government are playing fast and loose with farmers' expectations totally unacceptable. When I read headlines like the one in *Farmers Guardian* for Friday 16 October—"Brown Gives Hint of Extra Aid for the Industry"—I realise that it is a case of fiddling while Rome burns. It appears that the Government completely fail to understand that, by and large, over the decades, politicians have formed the marketplace in which agriculture now exists. It is hardly surprising, therefore, that farmers turn to politicians for help when the going gets tough.

The detail is interesting. Earlier, the noble Lord Sewel was cited in debate. When there were difficulties in the pig industry in Scotland, he found £150,000 to help with marketing initiatives. The Minister of State has been silent tonight on whether pig producers in the rest of the United Kingdom can hope for help in any form. Likewise, he has been silent on the question whether, if the beef ban is lifted, there will be any help to rebuild markets. He talks about the need for it, but he offers farmers no substantial help.

The Minister of Agriculture, Fisheries and Food could do three things that would be of particular help to farmers. The Ministry used to run the marketing development scheme—a small, low-cost scheme, providing small-scale but much-needed help to improve the marketing of British-produced products. The Government removed it. My first suggestion is that the Minister should consider setting up such schemes. They do not cost much, but they boost farmers' confidence, and they represent something that the Minister could do now.

Secondly, not every farmer can afford an agronomist to help him farm better. The Minister might inquire into the possibility of small-scale consultancy schemes to help those who run smaller and medium-sized farms—the family farmers, the backbone of British farming—to find ways in which to farm better, and perhaps to farm their way out of some of the trouble.

[Mr. Jack]

Thirdly, I suggest an idea that would cost nothing. The Minister says that he will meet and talk to the British Retail Consortium. which is good, but why not bring all branches of the food industry around the same table? The Ministry is the sponsoring Ministry for agriculture, fisheries and food in this country. Why does not the Minister create a council or forum in which these matters can be thrashed out across the table to improve the understanding, communication and sense of partnership between British farming and the supermarkets? He could have done so already; yet, in August, the Minister of Agriculture, Fisheries and Food disappeared completely from the scene, on so-called Foreign Office-arranged business. Perhaps he was visiting Chile—I know not why. Whatever he was doing, he was not here, and ever since then, he has tried to use that "Let me put my arm around the farmers and buy them a pint" approach, thinking to himself, "That will buy them off for another week, then another week, then another week"—and the situation in agriculture gets worse by the week.

There has been no new initiative since the new Minister took up his post. I am glad that he is listening—he may be getting the message. Even on the one token—totem, perhaps—of the state of British agriculture, the lifting of the beef ban, we seem to be getting further away from our objective than when the previous incumbent, the Minister for the Cabinet Office, the right hon. Member for Copeland (Dr. Cunningham), was in the job. If the beef ban were lifted, it would do a great deal psychologically to assist British farming.

Mr. Hayes: Will my right hon. Friend give way?

Mr. Jack: I must bring my remarks to a conclusion, as I know that other right hon. and hon. Members want to speak in the debate.

The Secretary of State for International Development encourages the consumption of fair trade coffee through her messages to commercial Britain. Perhaps the Minister should consider that.

I shall speak briefly about the situation relating to pigs. I wrote to every Secretary of State and Minister in the Cabinet asking what his or her Department was doing to help the consumption of British pigmeat. I received a telling letter signed "Yours sincerely, Nick" from the Minister of Agriculture. In that letter, he refers to the 14 MAFF canteens, which are all run by contracted caterers. The letter tells me that those are all profit-making companies—would not farmers like to be profit-making companies? The Minister states:

"it would be wrong for us to interfere in their profit making decisions."

Many farmers would like to make profit-making decisions. The letter continues:

"We cannot therefore specify to them how to source their products."

Nowhere does the Minister state in his letter that he has written to the companies and told them about the quality assured pork or British charter quality bacon and ham, or that he has written to draw their attention to the welfare issues that are vital to Britain's pork producers. There was no initiative in the Minister's letter on that subject. The situation is worse in the world of Labour-controlled local authorities.

I ask the Minister to look at part II of the Local Government Act 1988, section 17(5)(c). I discovered that that legislation effectively inhibits any local authority from intervening with its own suppliers of products such as pork, to help and guide them on all the arguments that we have deployed in the House about welfare standards and the quality of British pork, and other products. I hope that the Minister will have discussions with his right hon. and hon. Friends in the Department of the Environment, Transport and the Regions to see what can be done.

Farming is in a state of crisis. The Government look as though, like Nero, they are fiddling while Rome burns. I appeal to the Minister not to leave it too late before he acts.

9.7 pm

Mr. John Grogan (Selby): One of the most significant remarks during the debate was made by the hon. Member for South Suffolk (Mr. Yeo) when he was responding to an intervention from the hon. Member for Waveney (Mr. Blizzard) about the effect on farm incomes of Britain joining EMU. He seemed to say that the effect on farming incomes would depend entirely on the rate at which we joined the single currency. It surprises me that the Opposition rule out joining the single currency over the next 10 years, if that depends entirely on the rate.

On the day of the first countryside rally, I was invited by a group of my local farmers in Selby to present the prizes at the first annual Selby horse ploughing competition. They said that it would be a unique experience for a politician to contemplate ploughing a straight furrow for a whole afternoon. There was plenty of time for contemplation that afternoon. One of the many attractions of horse ploughing as a spectator sport is that it makes indoor bowls, for example, look like a form of rapid activity.

As I was contemplating the state of British agriculture that afternoon, one of the local farmers showed me with some glee *The Daily Telegraph* of that day, which reported on its front page that my constituency, Selby, was one of the four most rural Labour marginal seats. Indeed it is. There are 5,000 people in my constituency who depend on farming, part-time or full-time. There are many more who supply the agriculture industry, or who run village shops and depend largely for their income on the wealth of farmers and their families. That community in my constituency and elsewhere—we have heard about Wales, for example—is going through extremely hard times. We have heard many reasons for that. My hon. Friend the Minister of State mentioned Russia. Perhaps it is not the most crucial factor, but it is one of the most immediate. We are not talking about skins alone, because a third of European Union pigmeat went to Russia before the collapse of the economy. Much of that meat is now being diverted to the British market, especially Danish bacon.

There is a Chinese proverb that says that unless someone lives in the countryside he cannot really appreciate what hard times are. Perhaps that is pushing it a bit in the modern British economy, but the hard times that farmers are facing are different—not better or worse—from those that miners and steelworkers have faced in the past decade. At least miners and steelworkers have the strength of community that comes from living in a pit village or a steel town. Many farmers face their

individual hard times very much individually. They have to shoot their own stock. If necessary, they themselves have tc go bankrupt.

The figures are stark. Net farming income only a couple of years ago was about £4 billion. The best estimates this year tell us that that income is about £1 billion. Net farming borrowing is up to £6.2 billion this year, which is a 10 per cent. increase. Pigmeat, to take one example, was selling for about £1.40 a kilo a couple of years ago at Selby market. The best price to be obtained tomorrow would be, perhaps, 60p.

Mr. Hayes: Judging from the tone of the hon. Gentleman's speech, I am sure that he will try to make a positive response to my intervention. We have heard much about Russia, China and many other places. We have heard also about cultural and long-term problems. What proportion of the blame for the crisis does the hon. Gentleman lay at the Government's door? As an honourable man, he must surely acknowledge that the Government have some responsibility. The Minister of State acknowledged none. What proportion does the hon. Gentleman acknowledge?

Mr. Grogan: I think that the Government are doing an extremely good job. I shall come on to various things that I think the Government should do, if the House will bear with me.

I shall quote a farmer who wrote to me only last week. He is one of my constituents, and a typical family farmer. He works with his son and employs one person on his mixed arable farm. He wrote to me as follows:

"Ours is a typical family farm and has been successful over many years. Last year, however, saw the start of our troubles as our profits plummeted to 36 per cent. of those of the previous year . . . This year so far has been a complete and utter disaster. Our barley harvest is showing a loss of £93 per acre . . . As for pigs, we are currently losing over £1,000 per week . . . I am now in the situation of seeing my life savings swiftly slipping away—£28,000 on pigs alone since April, according to my accounts . . . Please can you help? I spend long nights awake trying to find ways of keeping this business solvent but to no avail. I am faced with the prospect of putting a loyal worker and good friend on the dole, slaughtering all my stock and being unable to pass on a viable business to my son and his family."

That farmer is doing what many other farmers are doing and running down his savings. However, we must recognise that the mid-1990s were good years for farmers for many reasons, which were largely to do with the green pound. Deloitte and Touche found in its survey that the net incomes of arable farmers increased from £146 a hectare in 1990 to a peak of £354 in 1995. It fell to £129 in 1997.

In response to the hon. Member for South Holland and The Deepings (Mr. Hayes), I think that there are four areas of hope for the farmer in my constituency whose letter I have quoted, and for others like him. First, we have heard much about supermarkets. The referral of British supermarkets to the Office of Fair Trading will be welcomed by those in the countryside, including farmers in my constituency. There seems a prima facie case that supermarkets are not passing on the fall in commodity and agricultural prices to the consumer.

British supermarkets make a third more in profits than their counterparts in Europe and America. A recent OECD survey, based on a common basket of groceries, revealed that British supermarket prices were near the top of the league in OECD countries. There are three supermarkets in Selby and supermarket staff have raised the issue of prices with me. They refer to the sourcing and pricing policies of their employers. They recognise that times have changed and that we now live in a stakeholder economy. Supermarkets cannot afford to opt merely for short-term profits for their shareholders; they are part of the wider community.

Mr. David Drew (Stroud): My hon. Friend is introducing a valuable summary of how we feel that supermarkets could make more of an effort. Does he agree that they could tell the consumer about welfare standards? They could insist that the welfare standards that we are introducing in the United Kingdom should be the same, if they are to sell imports, in exporting countries.

Mr. Grogan: I entirely agree with my hon. Friend. One of the great aspects of British agriculture is its high welfare standards. We should make more of that.

The second reason why British farmers have cause for hope is the development in tone and style of British agricultural policy since my right hon. Friend the Member for Newcastle upon Tyne, East and Wallsend (Mr. Brown) took over as Minister of Agriculture. It is easy to mock such things, but they are important. He has shown a greater capacity to listen than any Minister of Agriculture in the past 20 years. That is much appreciated in the countryside. Although it has sometimes been a case of listening not to strong words softly spoken but to strong words strongly spoken and repeated, it has been valuable.

It is worth remembering that we put more money into agricultural support than into the rest of British industry. However, further steps are necessary to resolve the problems of hardship that British farmers face. For example, under the traceability scheme it was good that the capital and revenue costs were funded for the first year, but we must now start to think about the second year. I am glad that my right hon. Friend the Minister is putting the case for more agrimonetary compensation to Cabinet Ministers. It is not easy, as there are many competing demands on resources. The community in Selby and I trust him to put that case forcefully in Cabinet.

The third reason for hope is the reform of the common agricultural policy and Agenda 2000. Any short-term extra help that we give farmers should not conflict with that aim, because that will be the salvation of British farming in the medium term. Agricultural support should be concentrated on paying farmers for countryside and environmental management. British agriculture at its most efficient is well able to compete in a more open and free market with its European Union competitors.

The fourth and final reason for hope is the attitude of farmers themselves. They realise that they must rebuild the bond of trust between themselves and the rest of the community—consumers and so on—because it has been weakened in recent years. British agriculture has high standards in terms of animal welfare and the environment, and must be marketed more aggressively.

Mr. Öpik: Does the hon. Gentleman agree that that bond of trust has been broken largely by the Government's statements and their efforts to imply that

[Mr. Öpik]

producers are to blame? To that extent, does he agree that rebuilding that bond of trust requires investment by the Government as well as a charm offensive by farmers?

Mr. Grogan: There are many partners in rebuilding the bond of trust and the Government have a crucial role to play.

There are 5,000 farmers in my constituency. I do not know how many voted for me. By examining the number of posters on trees in farms at the election, I could see that I would certainly have lost if trees had the vote.

Ironically, previous Labour Governments have delivered for farmers far more than Conservative Governments, right back to the days of Attlee and the agricultural legislation of the 1940s, which was never challenged until we joined the European Union. I am sure that, once again, the Labour Government will do well by the British farming community.

9.17 pm

Mrs. Angela Browning (Tiverton and Honiton): First, I wish to focus on my constituency. It is a large, rural constituency which covers most of the Mid Devon district council area and a large chunk of east Devon. It comprises some 90 parishes, and farming and related industries are extremely important.

During the summer, two pieces of work have been done in the south-west which clearly identify the problems that farmers in my constituency and the rest of Devon face. The first was a study done by PROSPER, the Devon and Cornwall training and enterprise council, which has assessed the present position and reported how it sees the future for farmers in my area. It said:

"What makes this agricultural 'crisis' unique in modern times is that every sector has been affected."

In respect of our mixed farms, of which we have a lot in Devon, one sector may have been affected in previous crises, but cheques from another helped to balance the cash flow. Today, all sectors are affected. The industry's net income this year is forecast to be no more than £700 million, compared with £4.1 billion in 1996, and major banks suggest that about 70 per cent. of all farms in the south-west will make a loss this year.

In addition, a study by the university of Exeter makes startling reading. Its forecasts for the current financial year, which have been commissioned by the Ministry of Agriculture, Fisheries and Food, put the average net farming income for lowland livestock farmers in the south-west at £100—down 99 per cent. on last year. The average dairy farming net income is estimated at £10,300—down 65 per cent. Hill farming incomes are estimated at £7,800—down 59 per cent. Arable farming incomes are down to £12,000 a year—a fall of 56 per cent. We have small arable farms; they are not like the large arable plains of East Anglia.

Those are statistics, but individuals are behind them. Already, they are coming to my surgery, asking, "How long have we got to hang on at these rates of income before we can see some light at the end of the tunnel?" That is the problem which the Government must now address.

I welcome the fact that the Minister said that he is considering a short-term package of help, because such measures are clearly needed urgently. As I went around my constituency during the summer recess, I noticed more and more farm sales. More and more farmers have decided that they cannot hang on and that they will not wait for the inevitable—they are putting their farms on the market.

At the moment, land prices in Devon are holding up. So long as they do so, I believe that the banks will continue to support the farming industry, but land prices will drop the moment that a glut of farms comes on to the market. That will affect not only those people whose farms are on the market at any given time, but those who want to stay in agriculture and continue farming. Land prices will drop, however, and collateral value against borrowings will become more vulnerable. Although banks in my area are hanging in there at the moment, that cannot be guaranteed for the longer term.

That is why I will support and welcome any short-term measures that the Minister can find to help the industry today and in the short term. The Ministry must look to the medium and long term, however, because the current crisis will not be brief.

I must declare an interest as a vice-president of the Devon young farmers, although some people might be surprised that I have been called a young farmer. [HON. MEMBERS: "Spring chicken."] Hon. Members are too kind. There is hope among the young farmers. They accept change, perhaps more readily than an older generation who have been used to a method of farming that clearly will not be sustained for ever. If those young people are to have a future, a long-term policy must be introduced.

I want to pick up on an issue that was mentioned by hon. Members on both sides of the House and was touched on briefly, although somewhat acerbically, by the hon. Member for Ross, Skye and Inverness, West (Mr. Kennedy), who mentioned the steel and coal industries during what he described as the Thatcher years. Should a number of farmers and farms go out of business, there will be a related fallout for other industries and jobs. If the medium to long-term fallout in the country or even in specific sectors of farming is comparable to that experienced by other industries in the 1980s, I hope that the Labour Government will follow the Conservative Government's example and recognise that they need to help certain communities, either by region or by sector. *[Interruption.]* Hon. Gentlemen are jeering, but the record speaks for itself. Money went to the iron and coal communities, and rightly so.

The hon. Member for Monmouth (Mr. Edwards), in his excellent speech, referred to the social exclusion unit. The Minister should take that recommendation seriously. Although farmers are not an organised group, they none the less represent an industry. If many small farmers in my constituency sell their farms or go bankrupt in the next four to five years, I shall put a strong case to the Minister, because that is a genuine example of an industry and of a geographic area that deserves to be considered for support, as other geographic areas were supported in the past.

The motion refers to sourcing British food. In the public sector, that is subject to competitive tendering. The Liberal Democrats are urging the Government to use their efforts to source British food. I hope that the Liberal Democrats, where they have responsibility, will show us that they are prepared to translate their words into action.

A month ago, I was informed by local butchers and farmers that, in the county of Devon, children who eat beef as part of their school meal no longer eat British beef. Under the new contract given to Devon Direct Services—the in-house contractor of Devon county council—a large catering company supplies Devon schools with Irish beef. In a letter to me last week, the chief education officer of Devon county council informed me that the majority of beef used in school meals in Devon is either

"minced or diced in a frozen free flow form"

and that

"the supply is of Irish origin."

I have written to the Liberal Democrat leader of Devon county council to ask him, in the light of his colleagues' wording of the motion before the House, to ensure that the council does all it can to restore to Devon farmers the opportunity to provide beef for schools in Devon, as they did just a few months ago. I particularly hope that Liberal Democrat Members who represent Devon constituencies, and who have some influence with Devon county council, will support that move.

9.27 pm

Mr. Hilton Dawson (Lancaster and Wyre): Thank you, Mr. Deputy Speaker, for the opportunity to take part in this exceptionally important debate. We hear many protestations from the Conservative party about its commitment to the countryside. In my meetings with local farmers, I am often complimented on the fact that their Member of Parliament has deigned to speak to them. That shows that the Labour party is listening and is working in the countryside to address a monumentally serious problem. Let us make no bones about it: we have an appalling situation in the countryside.

That was recently brought home to me when I went to meet one farmer at his farm and found 12 farmers there: small farmers, sheep farmers, mixed farmers and dairy farmers. I met contractors and people who had been involved in agricultural contracting for many years. I saw despair at that meeting. I saw the faces of people who were confronted with the break-up of farms that had been farmed by their family for generations. I saw people who wanted to retire: they were tired and exhausted by the daily round of farming. They wanted and needed to get out of farming but were unable to do so. I heard stories about the basic animal husbandry of the countryside not being done on small farms. I heard stories about the basic environmental work of the countryside not being done.

Mr. Lindsay Hoyle (Chorley): Will my hon. Friend give way?

Mr. Dawson: I will.

Mr. Hoyle: I thank my hon. Friend. I do not think that every hon. Member who wished to speak will be able to do so, owing to the length of some of the speeches that have been made.

Does my hon. Friend agree that the north-west has suffered more than any other region, except one? I feel that there should be a special intervention to support farmers in the north-west.

Is my hon. Friend aware that, although some £25 billion is spent on catering in this country, only 50 per cent. of the product is produced by British farmers? Think of that: only 50 per cent. of all the food that we buy in restaurants throughout the country is provided by the British farmer. Here is a golden opportunity for people who are involved in hotel and restaurant chains to play their part by supporting British farmers—along with the supermarkets, which also neglect our farmers.

Mr. Dawson: I endorse my hon. Friend's north-west "patriotism".

The people about whom I am talking need help now. I do not accept the criticisms of the Government's policies that we have heard tonight. The Government have clearly aimed to secure extra help for hill farmers, and, indeed, to secure extra help for agriculture across the board, but more help is needed. We need a retirement package. We need support enabling farmers to diversify. We need support for local purchasing schemes. We need support for co-operatives. We need a new way of approaching work in the countryside.

We also need to put pressure on the supermarkets. Producers are in an intensely vulnerable position: their prices are being driven down. That is not reflected in the supermarkets. I see, hear and feel the frustration of my constituents who, having been to the markets, go into the major supermarkets in the towns and see the price of basic commodities rising, despite the prices that the producers are receiving.

Mr. Drew: May I return to my hon. Friend's earlier point? Does he agree that tenant farmers are especially vulnerable at present? One measure that would help them is a reduction in the price of land, which was mentioned by the hon. Member for Tiverton and Honiton (Mrs. Browning); but it is particularly important to tenants that farm rents should not increase. Indeed, they could be lowered, to ensure that those tenants continue to produce.

Mr. Dawson: My hon. Friend is entirely right. My constituency contains a large proportion of tenant farmers, who, even during the best times, have operated on the margins of viability. They are clearly being hit very hard. I think that large landowners have a big responsibility, in terms not just of rents but of helping diversification, and helping to alter the way in which the rural economy operates.

I do not intend to take any more of the House's time. We have a monumentally serious situation on our hands, and we need the package that is, I hope, on its way. We need that package very quickly. Some farmers face destruction. The word "suicide" comes to mind: some farmers are extremely low.

This is a human issue. We have heard what happened to mining and steel communities in the 1980s. I know that there are hon. Members who will do everything possible to ensure that the communities we represent will never be in the same state.

9.34 pm

Mr. John Burnett (Torridge and West Devon): I am happy to declare an interest. I am no longer directly concerned in agriculture, but I am a landlord of agricultural property.

Time and again in the debate, the Minister has been told by both sides of the House of the catastrophe that is visited on UK agriculture. Each of the agriculture sectors

[Mr. John Burnett]

is on its knees. South-west agriculture, and agriculture generally, is greatly indebted to the PROSPER report, to which the hon. Member for Tiverton and Honiton (Mrs. Browning) referred: "The Hopes and Fears of South West Farmers".

That was published by PROSPER and the National Farmers Union two weeks ago. It was the result of a survey of NFU members throughout Devon, Cornwall, Somerset and Dorset. Ten thousand questionnaires were sent out and 2,854 replies were given.

I am happy to pay tribute to the *Western Morning News* and its agriculture editor, Carol Trewin, who asked PROSPER and the NFU to undertake that comprehensive survey. It was conducted from June to mid-August this year. I have a copy of the survey for the Minister. It makes bleak and depressing reading.

Morale is at rock bottom. Farmers are working longer hours for decreasing returns, coping with increasing red tape and regulations. The report highlights the dreadful state of agriculture, where last year net farm incomes dropped by 50 per cent. It is estimated that, this year, they will fall by a further 70 per cent.

As the House will know, the problem does not stop there. Agriculture is the prime industry of the rural economy and this agricultural recession has a domino effect on allied trades and services such as machinery, transport and livestock markets.

The sources of the immediate problem have been BSE, an over-valued currency and high interest rates. There are signs that the latter two problems are correcting themselves, but the industry has been knocked so hard that there must be some short-term relief to protect viable farm businesses from insolvency.

Mr. Patrick Nicholls (Teignbridge): In view of the point that the hon. Gentleman is making—I entirely accept the sincerity with which he is doing it—will he make representations to the Liberal Democrat leader of Devon county council, urging a rethink on the points that my hon. Friend the Member for Tiverton and Honiton (Mrs. Browning) was making?

Mr. Burnett: I am grateful to the hon. Member for raising that point. I was going to address it in my speech, but I make it clear that British beef is best and that there is no reason why it cannot be fed to British schoolchildren.

Mr. Nicholls: Will the hon. Gentleman make representations?

Mr. Burnett: Of course I shall.

Some Ministers are inclined to preface any discussion about agriculture support by invoking the costs that the Treasury has to bear towards eradicating BSE. I must make it clear that that is not support. It is part-compensation—I emphasise, part-compensation—for gross negligence in the 1980s; it nowhere compensates for the loss.

The indictment that I make against this Government and the previous Government is that, other than the £85 million drawn down last December, both Governments have failed to draw down agrimoney compensation. As a result, UK agriculture has lost about £700 million.

It is not for this Government or their predecessor to plead the Fontainebleau problem and the clawback. The UK has saved hundreds of millions of pounds in its contributions to the European Union by virtue of the strength of sterling. UK taxpayers have subsidised and are subsidising agrimoney compensation drawn down by other EU countries. The House should be aware that all other EU countries that qualify draw down that compensation. Our industry should be treated fairly and put on the same footing as other competitor countries.

Because the money has not been claimed by the Government and the previous Government, the compensation is now worth only about £160 million. As I have said, we have lost £700 million. I hope that the Government will draw that remaining money down without delay. The Treasury should also allow a one-off opportunity to average farm incomes for income tax purposes over the past five years. That would go some way towards making good the immediate cash flow crisis for many farmers. The Minister will recall that it was a Labour Government in 1978 who introduced tax averaging over two years.

Others in the debate have highlighted unfair competition and what appears to be a cartel of the superstore operators. Will the Minister explain, for example, why, in the pigmeat sector in September 1995, the supermarkets' retail price was 242 per cent. above the producers' price, whereas by September this year it had risen to 462 per cent?

There was a report in yesterday's newspapers that an inquiry is about to be ordered into why the market is not allowed to operate in the meat sector. The price paid to farmers has plummeted, whereas the price paid by the consumer has remained the same. Will an inquiry be constituted into that extraordinary anomaly?

It seems that progress is being made in lifting the beef ban. I hope that the Minister will remind our European Union partners, first, that there was a ban on meat and bonemeal and that traceability was in place by 1 August 1996; and, secondly, that no bullock over 30 months can be sold for human consumption in the United Kingdom. There can therefore be no reason for any ban after 31 January 1999.

Although we all realise that there has to be a long-term strategy for agriculture, the crisis is now. We await the Government's response to it.

9.40 pm

Ms Sally Keeble (Northampton, North): I do not represent an agricultural constituency, and had planned to speak in this debate primarily about the food safety aspect of farming and the food industry. However, after listening to the debate, I feel compelled to examine some of the other issues in agriculture.

If I have one disagreement with my hon. Friend the Minister of State it is that he has been far too gentle in this debate in responding to Liberal Democrat Members. I am sure that he would not be quite so gentle in dealing with Conservative Members or with their failure to deal with the issues.

There can be no real doubt about the problem, which we have all witnessed. Although, as I said, I do not represent a farming community, I have spent much of the

summer going around farms and speaking with farmers; I also saw parts of the food industry and spoke with food producers. There can no doubt about the problem facing farmers and food producers. Nevertheless, in this debate, we have not heard a possible solution from Opposition Members—*[Interruption.]* No, we have not. Although we heard much from Conservative Members about a fair deal for farmers, they seem to be caught in a real Conservative dilemma of advocating spending ever more money while not wanting to be the party of public spending.

Conservative Members have produced no options to deal with the long-term structural problems facing British agriculture which have been building up for a long time and which have now been compounded by a series of specific issues affecting crops and food prices. Conservative Members said nothing about problems of over-production, world prices or economies of scale in farming. However, we did hear a suggestion that the preservation of hunting might be part of the solution.

Liberal Democrat Members talked about solving farmers' problems by increasing agrimonetary compensation funds. Ministers have explained that they have targeted a series of measures, to the tune of £255 million, to deal with specific problems. It is especially ridiculous for Liberal Democrat Members—who belong to a party that everyone respects as being pro-European—to talk about agrimonetary compensation, as they really support, or say that they support, restructuring the common agricultural policy to change the way in which funds are provided to support farming.

Liberal Democrat Members have said also that CAP reform must not discriminate against British farmers. They overlook the point that the British Government, above all others, have been leading the argument for CAP reform. The issue is not whether we will get sufficient reform but whether we will get even the very diluted proposals being considered by Europe.

We have heard a great deal in this debate about the crisis in farming, which is being hit by the worst slump in prices since the 1930s. We have heard also various comments about the beef on the bone ban, which the Government are not only tackling but making great progress in resolving. It must be recognised that consumers also have an interest in farm prices and that measures that change the way in which CAP works have to be transparent to the public—they must not simply provide support for farmers in a discredited way.

It is understood that much remains to be done, and the Government have set out their proposals. Huge amounts of advice have been given to the Government, and my advice to them is to keep their nerve and to make sure that, in pursuing the interests of the farming community, we do not end up with short-term measures that do away with any real hope of providing a secure, long-term future for British farming and the British food industry.

9.45 pm

Mr. Paul Tyler (North Cornwall): Liberal Democrat Members represent agricultural and livestock communities from Shetland to the Isles of Scilly, so it is entirely appropriate that a Scotsman should open the debate and that a Cornishman should wind up for the Liberal Democrats.

We face a national and a nationwide crisis. I was impressed by contributions from all parts of the House which clearly showed that the recess has been put to good use. I especially praise the contributions of the hon. Members for Selby (Mr. Grogan), who made an excellent speech, and for Lancaster and Wyre (Mr. Dawson). It was also a relief to hear a sober and careful analysis of the crisis from the hon. Member for Tiverton and Honiton (Mrs. Browning), in contrast to the absurd histrionics that we heard from another former Minister.

I am extremely grateful to my hon. Friend the Member for Torridge and West Devon (Mr. Burnett) for referring to the excellent report produced by the *Western Morning News* and based on a survey undertaken by PROSPER and the National Farmers Union, to which I shall refer again.

Two facts are unchallengeable. The first is that every sector of agriculture is now under severe threat. The old country saying, "Horn up, corn down; corn up, horn down" has been swept away in the 1990s. Secondly, everyone has to agree, even if it cannot be admitted in public, that the crisis did not begin on 2 May 1997.

There may have been a severe deterioration after the general election, but the situation was already deteriorating fast. Because they plan long and because they have long memories, farmers know perfectly well that that is the case. No farmer whom I have met in any part of the United Kingdom believes that the disastrous slide started as a result of the political change. The devastation built up over several months before the election and has continued since.

Both facts were eloquently underlined in the report to which I referred which was published by the *Western Morning News*. It emphasised the conclusions reflected in many speeches that we heard this evening. It states:

> "What makes this agricultural crisis unique in modern times is that every sector has been affected. The industry's net income this year is forecast to be no more than around £700 million, compared with £4.1 billion in 1996."

If one bears in mind the fact that many large agricultural businesses will still be profitable, it is clear that the average is going to be much worse. That means that many medium and smaller agricultural businesses will be firmly in the red. The *Western Morning News* also reports banks as saying that around 70 per cent. of all farms in the south-west will make a loss this year. That brings me to the second fact.

In a continuing series, the *Western Morning News* published an extremely interesting graph—I wish that I could use visual aids to greater effect in the House. The graph shows the difference between farmgate prices and the retail prices index. From 1987 to 1995, there was a steady rise in both. By 1995, the overall RPI had risen by nearly 50 per cent. and the food RPI by about 33 per cent. Farmgate prices has risen much less dramatically—they were up by 25 per cent.

In contrast to the views of the hon. Member for South Suffolk (Mr. Yeo), the collapse started in 1996—before the general election—not 1997. The collapse began when the total RPI went on increasing to nearly 60 per cent. last year and then levelled off. However, food prices collapsed back to 10 per cent. One has only to look at this graph, which I think the Minister can see, to realise that the deterioration started in 1996. By 1998, farm incomes will have fallen to below what they were a decade ago, while the cost of living will have increased by 70 per cent. or more.

The emergency package, to which we refer in our motion, to which the National Farmers Union referred and which was hinted at by the Minister of State, is extremely

[Mr. Paul Tyler]

urgent. We need that rescue package now. Hon. Members on both sides of the House have reflected not just the consternation but the growing anger in the farming community at the discrepancy between farmgate prices and the prices in the shops. The fury that successive Governments have been so cowardly in the face of profiteering by the middle men is now all too apparent.

Last weekend, I spoke to about 80 farm households in my constituency. One farmer's wife told me that, in a week when they had sold a steer for less than it had cost them to produce it, the price of beef in the supermarket was simply beyond the means of her household. Farmers cannot afford supermarket prices for the very products that they are selling.

During the last Parliament, I urged on successive Agriculture Ministers the need to investigate the growing disparity between farmgate prices and the retail food prices. As has already been said, my hon. Friend the Member for South-East Cornwall (Mr. Breed) produced an excellent report on the supermarkets and we welcome the fact that, not before time, the Government have now initiated an inquiry into their profitability and the way in which they have been treating producers.

The Independent today points out that the market share of the big four has increased from 25 per cent. in 1987 to more than 50 per cent. in 1997, yet the Conservative Government did nothing about the growing monopolistic tendencies during that period.

Mr. Nicholls: Will the hon. Gentleman give way?

Mr. Tyler: No.

Given the extent to which the supermarkets and the food processing giants have screwed down the prices that they pay to primary producers, we should not be surprised that the Conservative party has now appointed to central office the managing director of one of the largest supermarkets. The supermarkets and the giant food processors have bucked all the trends of the recession and have banked record profits.

The agriculture industry is in serious decline. There has also been a deterioration in public confidence in the quality and safety of British food. Therefore, it is essential that we proceed as fast possible to the Food Standards Agency that was promised in the Government's manifesto. I notice hon. Members on both sides of the House nodding in agreement. I hope that the Minister will take a leaf out of his predecessor's book and stand up to his colleagues in Cabinet and say that it is something that the British people are entitled to expect and that the consumer and the farmer need such a powerful weapon to ensure that, in future, the middle men do not dominate the market to the extent that they have in the recent past.

We need more transparency in food pricing to make sure that farmers get a fair crack of the whip and we need an end to the cosy relationship between some of the big boys of the food processing and retail industry and the Ministry.

Last week, it was said that the permanent secretary at MAFF had an unusually cosy relationship with Tesco's director of corporate affairs. That is scarcely surprising, because they are married to one another, so it should not be a matter for conjecture or criticism, but it highlights the fact that, at a time when serious issues are raised, the sensitivity of the relationship between MAFF and the industry is under the spotlight. The Government must take courage and bring forward the Bill as soon as possible.

The Minister may not have noticed that the Modernisation Committee has provided him with a weapon to take a short cut through the normal legislative jungle to ensure that the Bill reaches the statute book. Farmers and consumers now demand that there should be greater confidence in the way in which British food is produced and sold. We need the Food Standards Agency. We must give the British people back the confidence in their food that they should have, used to have and need to have again.

9.54 pm

Mr. Rooker *rose—*

Mr. Hayes: On a point of order, Madam Speaker. I understand that it is the normal protocol and courtesy of this House for the Secretary of State of the relevant Department to sum up in a debate of this kind when he is present.

Madam Speaker: It does not concern me which Minister is summing up. Does the House give leave to the Minister to speak again?

Hon. Members: Aye.

Mr. Rooker: I was about to ask the leave of the House to speak again. I am grateful for the opportunity to do so in the short time available. We have had an interesting debate. In many ways, it has been predictable, but I make no complaint about that. The comments of hon. Members on both sides, particularly Labour Members, have been useful for Ministers in our consideration of the points made by the food industry.

I have to disabuse the hon. Member for North Cornwall (Mr. Tyler) of a notion. I have found no evidence in the past 18 months of a cosy relationship between MAFF and the big supermarkets. There is no evidence of that in the functioning or attitudes of the Ministry. That does not mean that the difficulties of old MAFF are all out of the way; they are not. We have tried desperately in the past 18 months to change the culture of MAFF so that we put the consumer first and are not simply seen as the producers' Ministry. However, we are responsible for sponsoring the food industry and, until the Food Standards Agency is established, we are also responsible for the consumer side.

Criticism has been made of one of the first points that I made. I repeat, the cost of dealing with BSE—not all of it; I did not claim that—represents a contribution by the taxpayer to market support. There is no doubt about that. Under the over-30-months scheme, 2.5 million cattle—none with BSE—have been taken out of the food chain and slaughtered. Some 350,000 tonnes of meat and bonemeal are stored around the country as a result of the scheme, occupying more than 500,000 cu m. To give an idea of the volume, that is the equivalent of 44 Big Ben towers, all of which has to be burnt at public expense to destroy it under the terms of the Florence agreement. Removing 2.5 million cattle in that way has to be a contribution to market support.

I am grateful to my hon. Friend the Member for Monmouth (Mr. Edwards) for his speech—the first speech from the Back Benches. He put the position very well for his constituents and those whom he had met at the market. My hon. Friends the Members for Selby (Mr. Grogan) and for Lancaster and Wyre (Mr. Dawson) also put the case. My hon. Friend the Member for Northampton, North (Ms Keeble) seemed to go out of her way to cause the Liberal Democrats to press for a Division. Nevertheless, as a member of the Select Committee, her comments have to be respected. I agree with the hon. Member for North Cornwall that the hon. Member for Tiverton and Honiton (Mrs. Browning), who is a former Minister, made a positive contribution, unlike some of her colleagues.

No one underestimates the current difficulties of the livestock industry. For the first time, all the difficulties that one could imagine have been brought together. It is a catastrophe for many who have been in the industry for a lifetime. It causes further problems for young people entering the industry. I have asked some of those at agricultural college why they are contemplating going into the industry. The reasons include the force of community, heritage and responsibility to the family and what has been left to them by parents and grandparents. They are full of foreboding for the future. However, to their credit, some young people are still seeking to enter the industry. We have to ensure that the conditions for the future are positive. Initially, we have to consider emergency, short-term aid, but that must not interfere with long-term plans in this country and the European Union for restructuring the food industry.

As I said, my right hon. Friend the Minister will meet representatives of the food industry, supermarkets and the British Retail Consortium next week. We cannot order them to do anything, but we shall put it to them in the strongest possible terms that there is a moral obligation not to impose conditions on British farmers then seek to buy abroad where those conditions are not applied. As I said, we know that some supermarkets are taking a wholly positive view in sourcing only from the same type of suppliers as in this country. We will report to the House as quickly as possible on the results of our consultation with industry and colleagues in government.

Question put, That the original words stand part of the Question:—

The House divided: Ayes 45, Noes 340.

Division No. 366] **[10 pm**

AYES

Allan, Richard
Ashdown, Rt Hon Paddy
Baker, Norman
Ballard, Jackie
Beith, Rt Hon A J
Brake, Tom
Brand, Dr Peter
Breed, Colin
Bruce, Malcolm *(Gordon)*
Burnett, John
Burstow, Paul
Cable, Dr Vincent
Campbell, Menzies *(NE Fife)*
Chidgey, David
Cotter, Brian
Dafis, Cynog
Davey, Edward *(Kingston)*
Ewing, Mrs Margaret
Fearn, Ronnie
Foster, Don *(Bath)*
Hancock, Mike
Harris, Dr Evan
Harvey, Nick
Heath, David *(Somerton & Frome)*
Hughes, Simon *(Southwark N)*
Jones, Nigel *(Cheltenham)*
Keetch, Paul
Kennedy, Charles *(Ross Skye)*
Kirkwood, Archy
Livsey, Richard
Maclennan, Rt Hon Robert
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Oaten, Mark
Öpik, Lembit
Rendel, David
Russell, Bob *(Colchester)*
Smith, Sir Robert *(W Ab'd'ns)*
Swinney, John
Taylor, Matthew *(Truro)*
Tonge, Dr Jenny
Tyler, Paul
Wallace, James
Webb, Steve
Willis, Phil

Tellers for the Ayes:
Mr. Andrew Stunell and
Mr. Adrian Sanders.

NOES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atkins, Charlotte
Austin, John
Banks, Tony
Barnes, Harry
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Begg, Miss Anne
Bell, Stuart *(Middlesbrough)*
Benn, Rt Hon Tony
Benton, Joe
Bermingham, Gerald
Berry, Roger
Best, Harold
Betts, Clive
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Paul
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Butler, Mrs Christine
Byers, Rt Hon Stephen
Cabom, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Canavan, Dennis
Cann, Jamie
Caplin, Ivor
Casale, Roger
Chapman, Ben *(Wirral S)*
Chisholm, Malcolm
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Connarty, Michael
Cook, Frank *(Stockton N)*
Cooper, Yvette
Corbett, Robin
Corbyn, Jeremy
Cousins, Jim
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunliffe, Lawrence
Cunningham, Rt Hon Dr Jack *(Copeland)*
Cunningham, Jim *(Cov'try S)*
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dismore, Andrew
Dobbin, Jim
Dobson, Rt Hon Frank
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ennis, Jeff
Field, Rt Hon Frank
Fitzpatrick, Jim
Fitzsimons, Lorna
Flint, Caroline
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Galloway, George
Gapes, Mike
Gardiner, Barry
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hain, Peter
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Heal, Mrs Sylvia
Healey, John
Henderson, Doug *(Newcastle N)*

Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Kate
Hood, Jimmy
Hoon, Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Jowell, Ms Tessa
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Kelly, Ms Ruth
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Ms Oona *(Bethnal Green)*
Kingham, Ms Tess
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Linton, Martin
Livingstone, Ken
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McGuire, Mrs Anne
McIsaac, Shona
Mackinlay, Andrew
McNamara, Kevin
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
Mahon, Mrs Alice
Mallaber, Judy
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Meale, Alan
Merron, Gillian
Michael, Alun
Michie, Bill *(Sheffld Heeley)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morris, Ms Estelle *(B'ham Yardley)*
Mountford, Kali
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
O'Neill, Martin
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reid, Rt Hon Dr John *(Hamilton N)*
Robertson, Rt Hon George *(Hamilton S)*
Robinson, Geoffrey *(Co'try NW)*
Roche, Mrs Barbara
Rogers, Allan
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Roy, Frank
Ruddock, Ms Joan
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salter, Martin
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheldon, Rt Hon Robert
Shipley, Ms Debra
Singh, Marsha
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Temple-Morris, Peter
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Vaz, Keith
Vis, Dr Rudi
Walley, Ms Joan
Ward, Ms Claire
Wareing, Robert N
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Wood, Mike
Woolas, Phil
Worthington, Tony
Wray, James
Wright, Anthony D *(Gt Yarmouth)*
Wyatt, Derek

Tellers for the Noes:
Mr. David Hanson and
Mr. Mike Hall.

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith, pursuant to the Order [this day], and agreed to.*

MR. DEPUTY SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House welcomes the Government's strong commitment to the UK farming industry and to the wider rural economy; welcomes in particular the steps which the Government has taken since May 1997 to support the beef and sheep industry via EU agri-monetary compensation and relief from charges; acknowledges the steps taken specifically to help the sheep, pig and cereal sectors with targeted EU measures; and endorses the Government's intention to bring about a secure and viable future for the UK farming and food industries through a market-orientated reform of the Common Agricultural Policy.

Child Support Agency

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Betts.]*

10.13 pm

Mr. Tony McNulty (Harrow, East): I am grateful to have the opportunity in this short Adjournment debate to raise the problem of the Child Support Agency and self-employed absent parents. I want briefly to discuss many general concerns that I and many others have about the way in which the CSA treats such parents and to refer to a specific case in my constituency, the details of which I gave my hon. Friend the Minister in advance.

I want to make two introductory points. First, I have no animosity towards the self-employed sector and would deprecate any attempt to suggest otherwise. My brother is self-employed, as was my father before he retired, and so are many of my friends. Secondly, it is in some ways a matter of profound regret that I must refer to the case of my constituent, Theresa West, not least because it was the subject of an Adjournment debate introduced by my predecessor, Mr. Hugh Dykes, on 31 January 1994—four years ago. I also note with interest that, after I was notified on 14 October of my success in securing this Adjournment debate, the first question to the Secretary of State for Social Security on Monday 19 October concerned precisely this subject matter: the CSA and the self-employed. I welcomed the response from my right hon. Friend the Secretary of State regarding that matter.

I turn briefly to the case of Theresa West. Theresa sought a maintenance variation order in 1993 and the CSA rather than the courts took on the case. I hasten to add that that was not of Theresa's choosing; she would rather have seen the matter stay with the courts. She had accepted £300 a month maintenance for her two children following her divorce in 1986. The CSA took nine months to determine an assessment and reduced her agreed maintenance to £200 a month. She naturally appealed against that assessment. While awaiting the outcome of the section 18 review, changes in the law meant a reassessment of her maintenance, which was reduced to £100 a month.

The overall review was completed by March 1994 and, as a result, Theresa's payments were reduced to nothing and she was ordered to repay overpayments. That assessment was based on her ex-husband's claim that his salary was only £14,393—a claim that the CSA happily accepted. However, Theresa knew differently. Theresa's ex-husband is a self-employed record producer of international repute. In 1993, he purchased a house worth more than £300,000 and stated clearly on his mortgage application to the Queen's bank, Coutts, that his joint income with his new wife was almost £200,000 a year—at the same time, he had declared his income as £14,000 to the CSA. He also explained that he could easily access and repatriate overseas funds to the value of £160,000. He owned a Porsche, two BMWs, his two children from his second marriage attended private schools and he employed a cleaner and a gardener. He also paid himself a £28,800 dividend through his own company—but forgot to tell the CSA about it.

We have this information only because Theresa would not accept that her ex-husband's bank had, in its words, "lost" his mortgage application. With perseverance and temerity, she obtained a copy of the application from the bank. To achieve that, she had to involve the Serious Fraud Office and the fraud manager of Coutts. At the tribunal hearing in July 1996—this is regarding the 1993 assessment—the CSA revised her assessment from nothing to £1,250 a month.

Her ex-husband appealed to the child support commissioner, who reported his determination on the July 1996 hearing of the 1993 assessment in August 1998. The ex-husband's appeal was refused and, in outlining the reasons, the commissioner stated:

"it appears to me that their"—

that is, the tribunal's—

"express finding that the applicant had over a long period failed to disclose the true level of his income was justified having regard to the evidence before them."

I remind hon. Members that that evidence existed only because of Theresa's own work, and not that of the CSA. The commissioner continued:

"In particular, the admitted and inadequately explained failure to disclose his £28,800 dividend from his company, the failure to disclose any overseas earnings or income at all through his tax return . . . and the inability to give any satisfactory information about the level of overseas or other income"

justifies the tribunal's decision.

Mr. Bill O'Brien (Normanton): In the scenario that my hon. Friend describes, was the Inland Revenue contacted? Its records should be available to the CSA too.

Mr. McNulty: They should be, but they are not; and when they are, the CSA constantly says that it is beyond its discretion to go beyond what each party gives it.

Therefore, five years after the CSA became involved, a final assessment of the 1993 maintenance level was arrived at—in 1998. The process of getting to that point involved a suitcase of paperwork, thousands of work hours by the CSA, the appeals tribunal, the child support commissioner and legal staff, seven tribunal hearings, three High Court subpoenas, the cost of legal aid for counsel's opinion and a written determination by the commissioner—all simply for the 1993 maintenance assessment.

Theresa made numerous requests to the CSA for the collection of the arrears for 1993–94—a total of more than £10,000—but the CSA refused to pursue that because of her ex-husband's appeal to the child support commissioner.

In 1996, the CSA requested information to complete the periodic review for 1994. The 1994 assessment reduced the maintenance to £380 a month, largely because Theresa's ex-husband claimed that his income for that year was only £34,000—a drop of more than £150,000 from the now accepted level of the previous year. However, although the CSA recognised that this was unusual, it said that, without her ex-husband's co-operation in producing additional evidence, it was bound to accept his accounts.

Again, Theresa asked for a section 18 appeal, reminding the CSA that evidence already produced to the July 1996 tribunal showed that her ex-husband's projected income for 1994 was between £190,000 and £230,000. The result of that appeal was that the £380 a month assessment was confirmed, as although the appeal tribunal directed that her ex-husband's liability be calculated on

[Mr. McNulty]

the basis of the projected income figure, the CSA said that it did not have the discretion to use the projected figure as verified income. Sadly, there was no mortgage application or similar document that could be used to find out his real income level.

By October 1998—let us bear in mind that this process started at the inception of the CSA, in 1993—the picture is that Theresa's ex-husband is to pay almost £800 a month regular maintenance and £413 a month toward arrears. You might think that justice was served at last. The sting in the tail, though, is that the CSA is dealing with an outstanding periodic review of the assessment of maintenance from October 1996 and a further review of the period up to October 1998—and has said that it has no discretion to use projected income figures as verification. It says, therefore, that

"it is likely that"—

the ex-husband's—

"liability will reduce."

It would seem that the projected income is appropriate for the child support commissioner and adequate for the Queen's bank to advance a £250,000 mortgage, but not enough for the CSA to put food on a child's table.

Theresa's ex-husband is now claiming that his income is again around £14,000—despite the fact that he now has a third child in private education and that there is documentary proof that his mortgage payments alone total £28,500 a year. If the CSA used that figure for the two outstanding periodic reviews, the assessment of maintenance would be reduced to about £40 a month and he would be able to argue, on the basis of the assessment, that he is unable to pay any of the arrears, which now total more than £30,000.

This is indeed a sorry tale, and one that is not yet complete. It shows vividly how the CSA has not been adequately equipped to deal with the complexities of dealing with absent parents who are self-employed and who, in some cases, to say the least are unco-operative, if not downright misleading in a wilful fashion.

As I have said, I welcome the Secretary of State's response at Social Security questions on Monday 19 October 1998, when he said that a special unit had been established within the CSA to deal with self-employed people. I welcome the overall approach of the Green Paper "Children First: a new approach to child support" and many of its suggestions for the future.

However, so that we may ensure that the self-employed are dealt with fairly and efficiently by the CSA—in a way that is fair to the continuing parent as well as the absent parent—I should like the Under-Secretary of State for Social Security, my hon. Friend the Member for Wallasey (Angela Eagle), and the Secretary of State to consider areas such as the following, some of which are in the Green Paper.

First, I should like Ministers to consider the use of projected income as well as the most recent year's taxable profit in maintenance assessments, and all reviews should be based on verified and complete accounts. Secondly, as my hon. Friend the Member for Normanton (Mr. O'Brien) said, the Inland Revenue should be fully used—it does not always happen—to verify income levels claimed by the self-employed absent parent, including, crucially, overseas income and resources.

Interest and compensation could be paid on overdue payments or arrears when determined. There could be a proper system of enforcement and collection of arrears, once initially determined, instead of the present constant to-ing and fro-ing round assorted areas of the legal or quasi-judicial system.

As the Green Paper says, there should be a firmed-up commitment that the giving of false or misleading information will be made an offence. I would go further and say that, where it has been proved that misinformation has been used, specifically in the case of the absent self-employed parent, the presumption should automatically then be based on projected income. Projected income is more often than not appropriate, and is used in normal commercial dealings; it is appropriate in other ways, and should be for the CSA as well.

If such a package is used, it will shift the burden of proving ability to pay fair maintenance on to the self-employed absent parent and eradicate the perverse incentives that litter the current system, especially for the self-employed. At present, it is in the interest of absent self-employed parents to play the system, avoid declaring real income and fail in their duties and responsibilities to their children. This package of measures, specifically geared towards the self-employed, is in tune with the spirit and ethos of the new Green Paper.

I formally request that the outstanding elements of Theresa's case are referred to and dealt with swiftly by the new CSA special unit on the self-employed. Clearly, that may not elicit an answer this evening. What my constituent has had to endure cannot be right or fair. The behaviour of her ex-husband has been deplorable. It is only her tenacity in the face of his mendacious behaviour that has meant progress for her case and ultimately for her children's welfare.

Five years after my constituent's dealings with the CSA began, the case still grinds on. That is not the fair, efficient and firmly enforced system of child support that our people need and that we seek. Currently, the CSA cannot adequately deal with the problem. I ask sincerely that, as part of our review, we sort out once and for all the way in which absent self-employed parents are dealt with.

It is a matter of profound regret that my constituent has had to endure this nightmare, but I know that she will agree that it will be made slightly more tolerable if lessons are learned from her case, and the scams, tricks and strokes pulled by some malevolent absent self-employed parents and their coteries of lawyers and accountants are curtailed because of her experiences. Sooner rather than later the welfare of the children must become paramount again.

10.25 pm

The Parliamentary Under-Secretary of State for Social Security (Angela Eagle): I congratulate my hon. Friend the Member for Harrow, East (Mr. McNulty) on having the good fortune to secure this debate, which he has used to great effect. He has drawn the House's attention to an important issue: how to get adequate child support from self-employed non-resident parents. The case that he mentioned shows up in stark relief many of the failures of the current system, which has often let parents down. However, we must remember that the self-employed present some of the most difficult cases with which we have to deal.

Because we guarantee confidentiality when we take on an application for child support, I cannot go into the details of Mrs. West's case on the Floor of the House

tonight, although I will of course be happy to meet my hon. Friend to discuss more privately the handling of Mrs. West's maintenance assessment. Tonight, I shall address some of the key matters of concern to my hon. Friend. Before I do so, it may be helpful if I briefly set the problem in the context of the Government's reforms of the welfare state, as my hon. Friend did.

We are determined to reshape the welfare state to meet the needs of the future. The proposals set out in our Green Paper on child support are one part of those reforms. Child support has a key part to play in our determination to tackle child poverty: 1.8 million children are living with a lone parent on income support or family credit and receive not a penny in maintenance from the non-resident parent. It cannot be right that the separation of parents takes away their responsibility to support their children financially and emotionally. A child support system that works with parents to enable them to provide the support that their children need can help many to escape poverty and dependence on benefit.

That is why we are seeking to renew the way in which child support is delivered. Our Green Paper sets out how we intend to address the many problems of the current scheme. The on-going consultation is open and is due to end on 30 November. We must create a child support system that is practical to administer, enjoys the support of our society and delivers effective help to children and parents with care. I shall take on board my hon. Friend's comments and suggestions for dealing with the self-employed, which I shall regard as part of the consultation procedure.

Child support liability is, sensibly, based on the amount that a parent can afford. That means that there will always be the problem of determining how much money a parent has available. The case that my hon. Friend mentioned appears to be a particularly severe example of the problem, with the child support liability varying widely according to differing accounts of the non-resident parent's income.

We all accept that the rules of the current scheme are far too complicated to be workable. In the case of many self-employed non-resident parents, the current system is also too easily manipulated by those who wish to minimise their liabilities. We shall try to simplify the system to minimise any chance of abuse, and we have proposed introducing penalties for those who lie about the money that is available to them in any income-based assessment. However, there are real difficulties with the self-employed, and changes in the child support rules, although they help, cannot entirely overcome them. In other words, the self-employed were always the most difficult cases to assess when the courts were responsible for child maintenance, and after the creation of the Child Support Agency that unfortunately did not change.

In order to establish the income available to pay maintenance, we cannot simply ask the self-employed for wage slips, as we can with most employees. Indeed, simply providing proper accounts is often difficult for many small traders. There are undoubtedly some self-employed people who will always seek to minimise their declared income. Those people present difficulties to all agencies charged with collecting money, including the Inland Revenue.

This is not a new problem or a problem particular to child support. However, it is worth bearing in mind the fact that one in five self-employed non-resident parents pay all the maintenance that is due. That means that 80 per cent. do not, so clearly we must try to create a more effective system.

The means available to the CSA to pursue queries over income declarations are not adequate. Steps have been taken to address that problem. A task force set up to deal with self-employed cases has been successfully piloted. Specialist teams have focused on working with the self-employed to encourage them to comply. This approach has proved very successful in the pilots, with substantial reductions in clearance times and significant improvements in compliance. These special units will therefore be implemented nationally by 1 March 1999.

We are also looking to see whether we can make any improvements to current legislation to widen the access that the CSA has to essential information collected by other agencies. That is something that my hon. Friend emphasised.

Experience has shown that tribunals are able to look at the earnings of the self-employed more in the round. They have reached assessments based on evidence that cannot currently be used by child support officers. Occasionally, tribunals have used their powers to summon witnesses, another avenue not available to the CSA.

As part of our reform of the child support scheme, we are seeking to build on the provisions that allow us to depart from the usual formula assessment. That would enable us to make greater use of the tribunals' broader scope. This scheme can allow a parent with care to apply for what is called a departure from the actual maintenance assessment on the basis that the level of income declared by the non-resident parent is inconsistent with his life style.

We are examining the possibility of making changes to the treatment of self-employed earners. We are considering a method of calculation that is more aligned with Inland Revenue provisions. In that way, non-resident parents could give the same information to the CSA that they give to the Inland Revenue.

That would make things much easier for parents, encouraging compliance as well as speeding up assessments. It would reduce the possibility of unscrupulous non-resident parents hiding the true level of their income, to the detriment of their children. Simplification of the rules would allow officials to spend more time enforcing maintenance and less time trying to work out the assessment.

Child support offers a real route out of poverty for many lone-parent families and particularly for children, many of whom currently live in needlessly difficult circumstances. To make child support work, we will ensure that we close the many loopholes that allow some parents to escape their responsibilities. We will make sure that the self-employed cannot hide from their duties to their children behind false accounts and administrative confusion.

This is why we have made the reform of child support a feature of our welfare reforms, and why we are pressing ahead in the meantime with the short-term improvements that I have outlined tonight, which I hope will begin to address the problems that have been raised by my hon. Friend.

Question put and agreed to.

Adjourned accordingly at twenty-seven minutes to Eleven o'clock.

House of Commons

Tuesday 27 October 1998

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Oral Answers to Questions

FOREIGN AND COMMONWEALTH AFFAIRS

The Secretary of State was asked—

Visitors' Visas (Bombay)

1. **Mr. Keith Vaz** (Leicester, East): If he will make a statement on the issuing of visitors' visas in Bombay. [54285]

The Minister of State, Foreign and Commonwealth Office (Mr. Derek Fatchett): In 1997, the visa section in the British deputy high commission in Bombay issued 43,318 visit visas. Up to 15 October this year, the visa section had issued 45,339 visit visas. Ninety-two per cent. of the straightforward visit visa applications are being issued within 24 hours. Currently, applicants are receiving their visas within two hours of presenting their application.

Mr. Vaz: Will the Minister pass on hon. Members' thanks to Baroness Symons of Vernham Dean for the changes that she introduced to the visa system to make it more efficient? However, as he must be aware, a large proportion of applications made in Bombay come from people who live in the Gujarat. Will he meet me and other interested colleagues to see whether visa facilities might be made available in Ahmadabad? Such facilities would greatly improve the position, lessening the pressure on Bombay and making the process much easier and much cheaper for applicants.

Mr. Fatchett: I shall certainly convey my hon. Friend's best wishes to my hon. Friend the Under-Secretary. She will be delighted to hear those words from my hon. Friend. I know that he keeps her busy on immigration and visa matters, so his words of support will be well received.

On the second point that my hon. Friend raised, I would be happy to meet him and his colleagues, although he must realise that, even to such a distinguished Member as himself, I cannot make a commitment at the Dispatch Box.

Mr. Eric Forth (Bromley and Chislehurst): If a visa application were made in Bombay by, let us say, a former dictator or former terrorist, would such an application be sympathetically considered by the Minister, and if it were granted, would it carry with it any immunity from rogue applications for extradition from this country?

Mr. Fatchett: Any visa application made at the deputy high commission in Bombay will be dealt with according to the immigration rules.

Sudan

2. **Rev. Martin Smyth** (Belfast, South): What progress has been made towards a permanent peaceful settlement in Sudan. [54286]

The Minister of State, Foreign and Commonwealth Office (Mr. Derek Fatchett): The UK has long supported the Intergovernmental Authority on Development peace process as the best chance to bring an end to the civil war in Sudan through a negotiated settlement. With a mandate from the IGAD partners forum, I visited Nairobi and Khartoum from 13 to 16 July to discuss the possibilities of securing a break in the fighting in the areas most affected by the humanitarian crisis.

Subsequently, the Government of Sudan and the Sudan People's Liberation Army announced a three-month ceasefire in Bahr al Ghazal. Following further discussions on 9 and 12 October respectively, the SPLA and the Government of Sudan agreed to extend the ceasefire in Bahr al Ghazal by a further three months. We shall continue to be active in trying to find a long-term solution to the conflict.

Rev. Martin Smyth: I welcome the Minister's response. He will be aware that, today, the aid organisations warned us that we might have a greater catastrophe than in Kosovo if something did not happen shortly to help people in Sudan. Is there any more recent information that would enable the Foreign Office to confirm the claims of the American State Department, corroborated by the Ministry of Defence, that the factory in Khartoum was a chemical factory—or does the Minister agree that the bombing of that factory may not have helped to advance the peace process in Sudan?

Mr. Fatchett: I very much respect the hon. Gentleman's interest in the issue of Sudan. He is right to say that the only way to deal with the long-term humanitarian problem is to achieve a political solution. That is one reason why I took a more active interest in the matter in the summer of this year. I hope that the United Kingdom, with others, can continue to play a more active role.

On chemical weapons in Sudan, the best way to verify the situation would be for Sudan to sign the chemical weapons convention.

Mr. Bill O'Brien (Normanton): May I express my appreciation of the efforts that the Minister of State and the Secretary of State have made to bring about a settlement in Sudan? Our concerns are with the women and children in southern Sudan, who are suffering the most as a result of the conflict in their country; the recent bombing by America did not help the situation. However, will my hon. Friend assure the House that he

will do all that he can to bring about a negotiated settlement to the problems in Sudan, so that we can be of more help to the people there who are suffering as a result of the conflict in their country?

Mr. Fatchett: Sadly, we are seeing a continuation of the civil war that has been going on for several decades. It is clear that the only way forward is to find a peaceful solution. There cannot be a military solution to the civil war in Sudan. We must encourage the parties to get to the negotiating table. That is why we support the IGAD process, and why the United Kingdom is keen to play any part we can to assist the negotiations and to help towards peace. As my hon. Friend says, that is the best way to give a long-term future to the people of Sudan, who have suffered too much and for too long.

Mr. Bowen Wells (Hertford and Stortford): May I thank the Minister for the work that he has put into trying to find a solution to the civil war in Sudan? In view of the news that Sudan has resumed bombing in the south, and the fact that, other than at Bahr al Ghazal, the fighting has intensified in recent weeks, could he find a way to bring about the support of the United States and the United Nations for urgent action to prevent the continuation of the tragic starvation in that area?

Mr. Fatchett: I thank the hon. Gentleman for his kind comments about my role. It was important in July to look for a way to achieve a partial ceasefire. It is temporary and covers only part of Sudan, but, for the many thousands of people in that area, it gives slight relief and the possibility of a longer life. We must extend those principles to the whole of Sudan and get the parties together. I hear what the hon. Gentleman says about the United States and the United Nations. The entire international community has neglected Sudan for too long and we have a responsibility to do what we can.

Universal Declaration of Human Rights

3. **Mr. Mike Gapes** (Ilford, South): If he will make a statement on Government plans to celebrate the 50th anniversary of the universal declaration of human rights. [54287]

The Minister of State, Foreign and Commonwealth Office (Mr. Tony Lloyd): Five decades after the universal declaration of human rights was signed, it remains an inspiration and a common standard of achievement for all nations and all peoples.

We are celebrating the anniversary with other Governments, the United Nations Association and non-governmental organisations. On the occasion of the anniversary, we have introduced a series of measures to create a closer dialogue between the Foreign Office and NGOs on human rights.

Mr. Gapes: I welcome the action that the Government have taken so far. Does my hon. Friend agree that the universal declaration of human rights is just that: universal? It should therefore apply to all countries, including Malaysia, China, India and Pakistan and countries in Africa, Asia, Europe, Latin America and north America. *[Interruption.]* Will my hon. Friend reassure me that this Government, unlike their predecessor, will adopt universal standards of human rights and emphasise the importance of the United Nations and its institutions?

Mr. Lloyd: I am delighted to join my hon. Friend in doing that. I was rather sorry to hear some barracking from the Opposition Benches about the universal declaration. That highlights the difference between the present Government and their predecessors in their commitment to human rights issues. In every part of the world the universal declaration has played a significant role in improving observance of and respect for human rights, but in every part of the world there are still areas where improvements are needed. Perhaps the finest way in which we could mark the 50th anniversary would be to ensure that the universal declaration is indeed universal.

Mrs. Cheryl Gillan (Chesham and Amersham): When making his plans for the anniversary of the declaration of human rights, will the Minister recall that the last Conservative Government had an excellent record on human rights, and that last year and every year for the past 10 years the Conservative Government co-sponsored a UN resolution calling for an improvement in China's human rights situation? Can the Minister explain why his Government have failed to renew that resolution? Does that failure to renew not confirm the accusation by Wei Jingsheng, probably the most famous Chinese prisoner of conscience, that the present Foreign Secretary is two-faced, and show that Labour's supposedly ethical foreign policy is hypocritical and spineless? Will the Government support that resolution when it comes back to the next UN meeting?

Mr. Lloyd: That is a very good try, but it is a shame that the Conservatives must make human rights a matter of party politics. The reality is that, when the resolution went through, the European Union nations were split. The Conservatives know that. Under the present Government and the present Foreign Secretary, we have a united European Union position with respect to China. We have seen progress in China, and Mary Robinson and the Prime Minister recently visited that country. Unlike the situation under the previous Government, the human rights debate with China is now on-going.

Ann Clwyd (Cynon Valley): Is my hon. Friend aware of newspaper reports today that suggest that the Foundation for Human Rights in the EU will close at the end of the year? That is worrying news for non-governmental organisations all over the world, including Redress Trust, the London-based charity that, among other things, deals with the victims of torture in Chile. That organisation is likely to lose up to half its funding. Will my hon. Friend act as a matter of urgency to ensure that that does not occur?

Mr. Lloyd: There can be no doubt that NGOs play an important role in maintaining respect for human rights worldwide. It is sad to see a threat to any legitimate organisation operating in that area. I do not know about the particular events leading to the situation that my hon. Friend describes, but I shall take her remarks on board and inquire as to the proper position and how the problem may be resolved.

Kosovo

4. **Jackie Ballard** (Taunton): If he will make a statement on the situation in Kosovo. [54288]

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Robin Cook): Since my statement to the House last week, Britain has remained fully engaged in efforts to implement the Holbrooke package. At the weekend, after hours of intensive negotiation, President Milosevic gave a detailed commitment to reduce the levels of army, police and heavy weapons in Kosovo to their levels before the conflict. Diplomatic observers in Kosovo report that several thousand security troops have left over the past 24 hours.

There has been a significant return of refugees to settlements in the valleys, and the UN estimates that numbers on the hillsides have fallen from 50,000 to around 10,000.

President Milosevic has shown some progress towards meeting the demands of the Security Council, but there is a long way still to go before we secure a self-governing Kosovo with its own elected leadership and free from repression from Belgrade.

Jackie Ballard: I thank the Foreign Secretary for that reply. I am sure that everyone hopes that President Milosevic will continue to pull back from the brink. I am also pleased to hear that thousands of refugees are returning to the valleys. However, anxiety remains about what the international community intends to do to ensure safe and unrestricted access to Kosovo throughout the winter months in order to provide humanitarian aid to the refugees and prevent thousands of deaths from illness and starvation.

Mr. Cook: The hon. Lady is absolutely right to express concern about the position of the refugees. So many of their homes have been destroyed by the actions of the Serb security forces that, although returning from the hillsides may take them nearer to where they once lived, it will not necessarily provide them with shelter. The refugees are still at risk from cold, hunger and disease.

That is why we attach the highest importance to ensuring that humanitarian relief gets through to the refugees and why Britain, in particular, in the past week has provided grants to Care International for winter goods, to Oxfam for winter shelter and to Médecin sans Frontières for mobile clinics. We shall continue to play a leading role in the international effort.

Mr. Michael Trend (Windsor): Is the Foreign Secretary aware, that over the weekend, Alastair Campbell briefed the press in Austria? I have a transcript of that briefing, which said that the Prime Minister would tell the informal summit that

"Kosovo showed us far too often to be dithering and disunited".

To ensure that the Government can no longer be accused of prolonging that dithering, will the Foreign Secretary inform the House for how long NATO forces will be maintained at their current and commendable state of readiness?

Mr. Cook: I assure the hon. Gentleman that Britain played a leading part in building unity both in NATO and in the contact group. If this country had not shown that leadership in securing agreement for the diplomatic track in the contact group—backed by a credible threat from NATO—we would not have made the progress that I have just reported to the House.

The North Atlantic Council is meeting to hear reports about progress on compliance, and I think that it is likely to conclude that Milosevic has made progress but has a long way to go yet. Therefore, I think that it is quite likely that we will resolve that we must keep our guard up. It is not yet the time to let that guard down.

Mr. Menzies Campbell (North–East Fife): If, as appears possible, it may not now be necessary to use the attack aircraft of NATO's air forces, would it not make sense to use NATO's transport aircraft to help to meet the priorities already established by the United Nations High Commissioner for Refugees? Is it not the case that, in communities that were first razed to the ground and then looted, it is not only food and blankets that are required but medicines, equipment to restore essential services such as electricity and water, agricultural implements and building materials? If necessary, should we not have a Kosovo airlift to prevent the humanitarian disaster which we all dread?

Mr. Cook: I can certainly assure the hon. and learned Gentleman that, if the United Nations should approach us for support in the transport of goods to Kosovo, we would be very willing to consider that sympathetically because we would not want essential goods not to get through because of the lack of logistics. One of the reasons that we are anxious to get the Organisation for Security and Co-operation in Europe verification mission up and running on the ground is precisely so that we can have those members of that team in every village and town, not merely to stand by and observe but robustly to intervene and make sure that they broker access to humanitarian goods and that the people of Kosovo are given the chance to come through this winter.

Chile

6. **Mr. Eric Pickles** (Brentwood and Ongar): If he will make a statement on the UK's relations with Chile. [54290]

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Robin Cook): I met the Deputy Foreign Minister of Chile, Mr. Mariano Fernandez, on Saturday. I explained to the Minister that the Government of Britain had no power to intervene in the court proceedings concerning Senator Pinochet, and nor would it be proper for us to direct the police in the execution of a magistrate's warrant. I also stressed to Mr. Fernandez the determination of the Government to prevent these legal procedures from undermining our excellent relations with the democratic Government of Chile.

Mr. Pickles: Will the right hon. Gentleman join me in congratulating the people of Chile on the smooth transition from dictatorship to a robust democracy? Does he agree that one of the most remarkable features of that is that opponents of the former regime worked side by side with people who supported it, forswearing individual

acts of violence, to build a strong and robust democracy in Chile? Does the right hon. Gentleman understand that that balance between opponent and supporter is a fine one and that outside influences are not welcome in that process? If he agrees with that, has he had an opportunity over the past fortnight to pass on that view to other members of the Government?

Mr. Cook: Of course there is a fine balance in direct conciliation and accommodation in Chile. That fine balance includes 14 current prosecutions outstanding against Senator Pinochet.

Of course we warmly welcome the progress of Chile and many other countries of Latin America towards democracy. One of the important founding stones of democracy is the rule of law and the clear principle that politicians should not decide who is arrested and who is not, and it is that principle that we are upholding in Britain.

Mr. Donald Anderson (Swansea, East): I have never had tea and sympathy with General Pinochet, and, having visited Chile during the reign of terror in the early 1980s and seen the way in which the oldest and longest democracy in Latin America had had its democracy subverted, I would never seek to parley with that gentleman. However, our views are surely irrelevant: will my right hon. Friend confirm that, once a proper application had been made under the Extradition Act 1989, we had no option but to let due process proceed?

Mr. Cook: My hon. Friend is absolutely correct. One of the most curious features of the past few days and the comments on them is the idea that the Bow Street magistrates issuing a warrant and the Metropolitan police executing it somehow adds up to a left-wing conspiracy. The Government are clear: due process of law must be carried out and it must not be warped to fit anybody's political agenda.

Mr. Michael Howard (Folkestone and Hythe): Is it not correct that the handling of this arrest and the possible extradition of General Pinochet have been bedevilled by chaos and confusion throughout? Why have the Government still not established whether or not the Spanish Government, as opposed to one Spanish judge, are applying for his extradition? Is the right hon. Gentleman not aware that the Home Secretary had a discretion not to authorise the grant of a warrant and could at that point have taken into account many factors, including the implications of the arrest for the future of democracy in Chile?

Mr. Cook: The right hon. and learned Gentleman wrote to me last week saying that, if an extradition request were made, of course the normal processes and procedures should be followed. It is difficult to see that sentiment in the question that the right hon. and learned Gentleman has just put to me. Of course we have had no contact on the question with the Spanish Government. It would be deeply improper to do so. The extradition request has been processed by entirely competent legal authority in Spain. It is for the Spanish authorities to decide whether they wish to withdraw it, not for us to decide whether we should ignore it. The Home Secretary was entirely proper in allowing the due process of law to proceed. There was a time when the Conservative party would have prided itself on being the party of the rule of law. It is rather sad that it has now departed from that principle of our constitution.

Mr. Howard: Does the Foreign Secretary not appreciate that the rule of law in this matter includes a discretion for the Home Secretary to take into account factors such as those that I mentioned, before authorising a warrant? On what conceivable basis does the Foreign Secretary allege that it would be improper to ask the Spanish Government whether they, as opposed to one judge, want General Pinochet to be extradited?

Mr. Cook: It is a matter for the Spanish legal authorities to decide whether to proceed with this, just as it is a matter for the British courts to decide how to proceed on it. Of course, areas of discretion are available to the Home Secretary after due process and after the matter has been before the courts. If the right hon. and learned Gentleman is really saying that there were occasions when, in secret, he squashed a warrant for extradition, he should tell the House when it was.

European Union Enlargement

7. **Dr. Doug Naysmith** (Bristol, North-West): What progress has been made in simplifying the process for those countries seeking to join the European Union. [54291]

The Minister of State, Foreign and Commonwealth Office (Ms Joyce Quin): The European Union agreed a clear and inclusive enlargement process at Luxembourg last year. Britain has played a key role in pushing forward that process, which was launched during our presidency. It remains on track, and will bring the applicant countries into the Union as soon as they are ready for the demands and the obligations of membership.

On 9 November, the Commission will report on the progress made by all the countries seeking to join. The following day, substantive talks are due to start with the six applicants already in accession negotiations.

Dr. Naysmith: I thank my hon. Friend for that reply. Following the Foreign Secretary's recent visit to Bulgaria and Romania, is there any progress to be reported on their meeting the criteria for membership?

Ms Quin: Yes, indeed. My right hon. Friend the Foreign Secretary had a useful visit, which included Bulgaria and Romania, and there is no doubt that the prospect of EU membership is a great stimulus in those countries to produce reforms. We welcome some of the progress that they have already made and look forward to further progress in due course.

Mr. William Cash (Stone): Does the Minister accept that part of the process towards enlargement necessarily involves questions of democracy? Does she further accept that the whole process of proportional representation, as expressed by a leading politician in *The Times* on 16 October, clearly shows that proportional representation is regarded by those in the Czech Republic as unhealthy, inequitable and leading to the blackmail of the larger parties by the smaller parties, as in Israel, and

to dissatisfaction, as exists in New Zealand? Will the Minister therefore accept that, whether with regard to the Westminster system of democracy in Britain or the process of European elections, the whole concept in principle of proportional representation is objectionable, for the reasons that I gave?

Mr. Dennis Skinner (Bolsover): I have forgotten what the hon. Gentleman said.

Ms Quin: It certainly was an elaborate supplementary which took us some way away from the enlargement process. Despite that, however, I agree that democracy is a tremendously important—indeed, essential—part of the candidacy of any country for accession to the EU. But with regard to election systems, existing EU members have a variety of systems, and nothing in the enlargement process would alter that.

Mr. Andrew Mackinlay (Thurrock): Has the Minister had an opportunity to consider the impact of the recent elections and referendum in Latvia and the general election in Slovakia? Does she agree that they justify including those countries in the fast-track process of enlargement, especially given that the Latvian impediment was its relationship with the Russian minority, which has been resolved by the consequences of the referendum result?

Ms Quin: The application of each country needs to be regarded on its merits. Like my hon. Friend, I very much welcome the result of the referendum that took place in Latvia and the recent encouraging signs in the Slovakian election results. They show that coming closer to the European Union can stimulate democracy and respect for human rights and ethnic minorities. I very much welcome that.

Mr. John D. Taylor (Strangford): Is the Minister aware of the news that, during the past week, Greece has placed fighter planes in Cyprus for the first time ever, and that, in January, the Greek Cypriot Government intend to bring in Russian missiles manned by Russian personnel? Is the European Union wise to absorb those problems into the Union before a settlement in Cyprus?

Ms Quin: We regard the accession process in Cyprus as an important factor in applying pressure for a settlement of the Cypriot problem and uniting the island. That is tremendously important. However, we do not want a build-up of weapons in a volatile part of the world, which is why we have expressed serious reservations about missiles in Cyprus.

Agenda 2000

8. **Mr. Jeff Ennis** (Barnsley, East and Mexborough): When he last met his European counterparts to discuss Agenda 2000 and enlargement. [54292]

15. **Ms Rosie Winterton** (Doncaster, Central): When he last met his European counterparts to discuss Agenda 2000 in relation to enlargement. [54299]

The Minister of State, Foreign and Commonwealth Office (Ms Joyce Quin): I last met my European counterparts to discuss Agenda 2000 issues at yesterday's General Affairs Council in Luxembourg.

Mr. Ennis: I thank the Minister for her reply. Is she aware that the current gross domestic product per capita in South Yorkshire is only 75 per cent. of the European average? Is she further aware that in my constituency that figure falls to 65 per cent? Does she agree that, if this country is successfully to regenerate the most economically deprived regions, it must negotiate extremely hard to try to maximise the amount of European regional assistance that comes to this country under Agenda 2000?

Ms Quin: I very much support my hon. Friend's comments. We generally support the criterion of 75 per cent. of GDP as the threshold for European regional assistance. European funds have already been used to effect in regenerating certain areas of the British economy. We are keen to see that process continue, as it rebounds on the efforts of those regions to the credit of both Britain and the European Union.

Ms Rosie Winterton: Is my hon. Friend aware that the rail port in my constituency of Doncaster provides rail freight services from the north of England to Europe? Does she agree that, to protect the environment and regenerate areas like South Yorkshire, the development of European rail links should be a high priority in any discussions on Agenda 2000 and European Union enlargement?

Ms Quin: I very much agree with my hon. Friend that transport infrastructure is a vital part of the economic development of a region. European transport links make a great deal of sense in the context of the European Union's structural funds and European efforts generally to promote economic development.

Mr. John Bercow (Buckingham): Will the Minister tell the House why so little progress is being made on the financial and other reforms which will be essential if the European Union is to be successfully enlarged? Is it because her Government, and other centre left Governments within the EU, are still obsessed with yesterday's backward-looking agenda of a Europe which is uniform, not diverse; rigid, not flexible; and deeper, not wider?

Ms Quin: The basic premise of the hon. Gentleman's question is simply incorrect. Good progress is being made towards the Agenda 2000 timetable, as was evident from our discussions in Luxembourg yesterday, which ranged over all the issues involved in the negotiations, including financial and budgetary ones.

Mr. Ian Bruce (South Dorset): Does the Minister think that assurances given during enlargement negotiations can be kept to? I have in mind the assurances made by Spain, when it joined the European Union, about its treatment of Gibraltar. Spain is now attacking Gibraltar's fishing rights as well as its border rights, as always. Can she assure us that she takes these matters into account in the discussions on enlargement, and that the Spanish Government will be told, yet again, that they should keep to their assurances over Gibraltar?

Ms Quin: It is certainly important that, in enlargement negotiations, undertakings that are given are implemented in practice. Indeed, a range of mechanisms has been put in place to make sure that the progress of existing

applicants can be monitored through all the different chapters of the accession negotiations. In respect of Gibraltar, the hon. Gentleman might like to know that we recently protested strongly about increased delays at the border. As a result, those delays have been greatly reduced.

Mr. Eric Illsley (Barnsley, Central): When my hon. Friend last met her European counterparts to discuss enlargement, was any attention given to the question of Cyprus being admitted to the European Union as an occupied country, in light of the view held by some of our EU partners that the idea of EU membership as a catalyst to a peace settlement appears to have failed?

Ms Quin: In the General Affairs Council, we have said clearly that we believe that the accession negotiations regarding Cyprus remain an important pressure on reaching a settlement and reunifying the island. That is our view, and we have put it forward strongly. We believe that the accession negotiations represent a real opportunity to make progress, however difficult the problems are.

European Union Enlargement

9. **Mr. Tim Boswell** (Daventry): If he will make a statement on progress in the EU enlargement process. [54293]

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Robin Cook): Britain negotiated the launch of the enlargement process during our presidency, and progress in the accession talks has been good. We expect that next month, we can move from the screening process to substantive negotiations with six of the candidate countries.

Last week, I visited two other candidate countries—Bulgaria and Romania—whose Governments both expressed their warm appreciation of Britain's support for the enlargement of the European Union.

Mr. Boswell: Enlargement in due course is clearly essential for the applicant countries, and much in the interests of this country and of existing member states.

Mr. Cook *indicated assent.*

Mr. Boswell: I am pleased to have the Foreign Secretary's acknowledgement of that. Would he resist firmly any further moves towards gratuitous deepening of the Community, on the ground that, if applicant countries already have enough difficulty keeping their footing through the existing acquis communautaire, any further impositions might put them out of their depth altogether?

Mr. Cook: I agree with the hon. Gentleman's point that we should remember that enlargement is also in the interest of the existing member states. It will make the European Union larger, give it greater potential for prosperity and greater clout in world trade talks, and enable us to deal with cross-border problems, such as the environment and cross-border crime. This is not simply a matter of altruism towards the applicant countries—it is in our interest, too—but it is not the case that the applicant countries would oppose what the hon. Gentleman referred to as further deepening. They want to become members of a full, strong Europe, with integration where necessary and decentralisation wherever possible.

Mr. Ian Pearson (Dudley, South): Will my right hon. Friend confirm that the five eastern European accession countries, with 63 million people and a gross domestic product of about 400 billion ecu, represent a major addition to the European Union economy and a major opportunity for British companies to extend their home markets? Will he, in conjunction with the Department of Trade and Industry, review the substantial information that the Foreign and Commonwealth Office has on markets and market opportunities in those countries, and ensure that it is available to British businesses, especially small and medium-sized enterprises, because too few of them are approaching the FCO about such opportunities at the moment?

Mr. Cook: I have just returned from Bulgaria and Romania. I was struck not only by the opportunity for investment and trade in those countries, but by their desperate need for that investment and trade. Enlargement offers us an economic opportunity, but we must recognise that we cannot maintain a Europe that, although no longer divided by an iron curtain, is divided into the rich nations of the European Union and the poor countries at our gates. That is not sustainable, and we shall suffer from the pressures from illegal migration, the drugs trade and other problems that come from poverty. It is in our interests to assist those countries to achieve our prosperity.

Mr. Michael Howard (Folkestone and Hythe): Does the Foreign Secretary really believe that deepening integration, increasing spending and moving towards tax harmonisation and a European army—all of which were agreed in Austria last weekend—will help the enlargement process? Is it not clear that there can be deepening or widening of the European Union, but not both? Does he accept that his statement in August that

"Maastricht was a high water mark of integration"

seems even more ludicrous now than it did then?

Mr. Cook: The right hon. and learned Gentleman cannot complain about the response in Kosovo and yet refuse to apply that lesson for Europe's security. That is exactly what the Prime Minister was drawing to the attention of the leaders of Europe when they met in Pörtschach.

I am not sure that the right hon. and learned Gentleman wants to achieve any kind of Europe, but if he wants to build a Europe that is decentralised and that observes the principle of subsidiarity, he should welcome the fact that the debate on the future of Europe was started by Britain. We are focusing on achieving the right balance between decisions on cross-border issues that must be taken in Brussels and decisions on issues that are better taken within member states. The Government are promoting a balance between integration where necessary and decentralisation where possible.

Mr. Alan Simpson (Nottingham, South): I welcome the Foreign Secretary's comments on enlargement. What assessment has been made of the challenges and

opportunities that enlargement will bring, and of the adequacy of existing EU structural funds? Decisions may need to be taken about extending the scope of such funds.

Mr. Cook: There are substantial programmes to assist countries that are preparing for membership. The pre-accession funds are generous. Yesterday, in the General Affairs Council, we agreed on re-allocation as applicant countries become full members. Structural funds will be available to them as full members. That is why it is important that we proceed with the reform of not just the structural funds, but the common agricultural policy to ensure that we can afford enlargement and that the resources of the European Union go where they can best be used.

Dubai

11. **Mr. Desmond Swayne** (New Forest, West): If he will make a statement about UK relations with Dubai. [54295]

The Minister of State, Foreign and Commonwealth Office (Mr. Derek Fatchett): Our relations with Dubai are good. As an indicator of that, our trade statistics with Dubai show that in 1997, United Kingdom exports were worth more than £900 million.

Mr. Swayne: The trade with Dubai affords tremendous opportunities for British business based on our expertise, experience and the competitiveness of our tenders. Does the Minister agree that our relations with Dubai stand to be damaged by the continued detention of George Atkinson? What representations will the Minister make to the Government of Dubai consequent on the decision by the United Nations working group on arbitrary detention to describe Mr. Atkinson's detention as "arbitrary"?

Mr. Fatchett: I welcome the first part of the hon. Gentleman's comments, particularly his reference to the competitiveness of British exports in the middle east. It is good to hear him talking in those terms, unlike many of his colleagues, and I welcome his comments.

We continue to make representations on Mr. Atkinson's behalf. The hon. Gentleman has been vigilant in his support for his constituent. We shall continue to liaise with him, with Mr. Atkinson's family and with the authorities in Dubai, and we shall take up the points that have been made about Mr. Atkinson's detention.

Biological and Chemical Weapons

12. **Mr. Harry Cohen** (Leyton and Wanstead): What representations he has made to his United States counterpart to try to achieve that country's agreement to ensure compliance with biological and chemical weapons treaties. [54296]

The Minister of State, Foreign and Commonwealth Office (Mr. Tony Lloyd): We are in regular dialogue with the United States on all aspects of the implementation of the biological and chemical weapons conventions. I am pleased to report that the United States has passed legislation to implement the chemical weapons convention.

Mr. Cohen: That is news to me.

Is the Minister aware of the danger that will be posed to the international regime against chemical weapons if the United States drags its feet in implementing legislation? Is he saying that call inspections will now be possible in factories where chemicals are handled? I understand that the lack of such inspections is blocking call inspections in other countries.

Can the Minister tell us something about the biological treaty negotiations in Geneva? Hopefully, the United States will not drag its feet in that regard.

Mr. Lloyd: I am pleased to say that the United States Congress recently ratified legislation allowing precisely the type of challenge inspection that my hon. Friend has described. There is now no possibility that other countries can hide behind the supposed reluctance of the United States, which is now complying with the chemical weapons convention. We welcome that, having played our part by making our views known to the United States Government and Congress.

I remind the House that, in his new year message and more recently at the United Nations, President Clinton spoke in favour of the biological weapons convention. That is a positive sign. The United States is already a signatory. What we are all working towards now—at least, those of us who are working with good will—is the certainty that the same challenge regime exists for biological as for chemical weapons. That would be a signal achievement for the world. We have already banned a whole class of chemical weapons of mass destruction, legally at least. If we can do the same in regard to biological weapons, and implement the ban, we shall have taken a significant step for all mankind.

Dr. Julian Lewis (New Forest, East): Was it not a piece of barefaced cheek for the hon. Member for Leyton and Wanstead (Mr. Cohen) to point the finger of accusation at the United States in relation to treaties banning biological weapons? The United States, like this country, signed the treaty to ban biological weapons in 1972, and President Yeltsin admitted in 1992 that for 20 years—as we in the west had suspected—the Soviet Union had been flagrantly breaching the treaty. If accusations of that kind are to be made, should not the hon. Gentleman direct them at the Russians, who, even now, have not cleaned up their act in this respect?

Mr. Lloyd: Perhaps the hon. Gentleman would like me to go a little beyond party political rhetoric, and stick to the substance of his question. He is right: the United States was one of the signatories of the 1972 treaty, which was an important step forward. Britain's record is good in this regard, and I must pay tribute to what the previous Government did in respect of chemical weapons, although perhaps they did less in respect of biological weapons. As a House and as a country, we should hold firmly to the view that all nations should sign and ratify both treaties.

Kashmir

13. **Mr. Peter L. Pike** (Burnley): What recent discussions Her Majesty's Government have had with representatives of the Indian and Pakistani Governments, regarding Kashmir. [54297]

The Minister of State, Foreign and Commonwealth Office (Mr. Derek Fatchett): We have had a number of discussions with representatives of India and Pakistan on regional security issues, including the question of Kashmir.

Mr. Pike: Does my hon. Friend agree that it is understandable that there is worldwide concern about the increasing tension between Pakistan and India over the Kashmir problem, especially following the nuclear tests carried out by both countries earlier this year? Does he hope that the talks that started last week, which will be resumed in the new year, will lead to an end to the problem? That is in the interests of people on both sides in Kashmir, and in the interests of India and Pakistan. Will my hon. Friend make it clear to both sides that, while there is a problem for those countries to solve, we will do all that we can to assist the achieving of that objective?

Mr. Fatchett: I agree with all that my hon. Friend has said. It is crucial that India and Pakistan are able to establish a sensible, constructive and peaceful bilateral relationship. We wish the talks well that started last week and had been preceded by discussions between the Prime Ministers of India and Pakistan in New York. We hope that those discussions lead to measures that relate not just to Kashmir, but to other confidence-building issues and broader economic and security issues—but my hon. Friend is right. The south Asian sub-continent is a volatile area, and the question of Kashmir makes it that much more volatile. Hence the need for the discussions to be successful.

Mr. Michael Colvin (Romsey): Does the Minister of State recall that today is the 51st anniversary of the occupation of large parts of Kashmir by Indian forces? Therefore, does he not think that it would be a good day to confirm the United Kingdom's determination to bring Kashmir back on to the agenda of the United Nations Security Council, bearing in mind that there were resolutions from the Security Council in 1948, 1949 and 1957 calling for a plebiscite of the Kashmiri people on their future? Does he not think that that should be pressed for by Her Majesty's Government?

Mr. Fatchett: The international community is naturally concerned about the developments in relation to Kashmir and the threats that those pose for regional stability and security. The best current approach is through the bilateral talks between India and Pakistan. We wish those well. The obvious parties to resolve these difficulties are the two Governments. If they can come to an understanding, that is the best way for the peace of the area and for the people of Kashmir.

Argentina

14. **Mr. Michael J. Foster** (Worcester): What plans he has to meet the President of Argentina to discuss UK-Argentine relations. [54298]

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Robin Cook): The President of Argentina arrives on an official visit today. He will hold talks with my right hon. Friend the Prime Minister and me. He will address the City of London and the Confederation of British Industry, and lay a wreath in commemoration of those who fell in the Falklands war. This is the first visit to Britain by the President of Argentina since it became a modern democracy, and a welcome demonstration of the growing strength of relations between our two countries.

Mr. Foster: Does my right hon. Friend agree that it is time to rebuild Britain's relationship with the new Government of Argentina? Will the Government use President Menem's visit to take forward our growing ties in trade and industry for the benefit of both our nations?

Mr. Cook: I assure my hon. Friend that we expect this visit to provide a further boost to the excellent commercial relationships that Britain and Argentina enjoy. President Menem will bring with him 100 leading Argentine business men and the contact with the CBI and the City will, I am sure, deepen those commercial ties.

It is also appropriate that we should recall that President Menem played no part in the Government of Argentina with whom we were at war two decades ago. At the time, he was in prison, where he was held for five years and tortured under that same regime. The fact that he is the President of Argentina shows how far it has come.

Mr. John Wilkinson (Ruislip-Northwood): In welcoming President Menem, personifying as he does the process of reconciliation and compassion in his country, will the right hon. Gentleman take heed of President Menem's wise counsel with regard to relations between both Argentina and the United Kingdom and Argentina and its neighbouring states? Therefore, could the right hon. Gentleman do nothing that will prejudice democracy within a state neighbouring Argentina, which had a very tense relationship with that country?

Mr. Cook: If I were to pursue the line of thinking in the hon. Gentleman's question, President Menem might justifiably be rather confused as to which country I thought he came from. First, however, I entirely endorse the hon. Gentleman's welcome for the reconciliation, which has been welcomed by most of the veterans of the Falklands war; secondly, of course, we will do nothing to undermine democracy in either Argentina or Chile; nor will we do anything to undermine the rule of law in Britain.

Mr. David Winnick (Walsall, North): Will my right hon. Friend tell President Menem of this country's undoubted good will towards Argentina now that it is a democracy, but make it clear that he should understand that it is important to allow the due process of law to take place regarding General Pinochet? That very process of law, I am glad to say, is being carried out in Argentina.

There should be an understanding that there can be no amnesty and no safe haven for mass murderers such as Pinochet.

Hon. Members: What about China?

Madam Speaker: Order. The question is about Argentina. I shall have something to say on these matters a little later. Does the Foreign Secretary want to make any response?

Mr. Cook *indicated dissent.*

Madam Speaker: I thought not.

Mr. Dafydd Wigley (Caernarfon): The Foreign Secretary will be aware of the close links between Wales and Patagonia—links that came under considerable strain during the Falklands war—and that there is a well of good will in Argentina towards the United Kingdom and a desire to forge much closer relationships. Does he agree that the best safeguard for the Falklands is for such links to blossom and grow constructively?

Mr. Cook: I am well aware of those links. It is worth recalling that we have a deep and wide relationship with Argentina. For instance, British service men are currently working alongside Argentine service men to maintain the peace on the green line in Cyprus. If our service men can achieve that partnership, our politicians should seek to do so too. I fully agree that a healthy understanding between our two countries must be good for the Falkland Islanders in the long run.

Germany

16. **Mr. Ben Bradshaw** (Exeter): If he will make a statement on the impact of the German general election result on British–German relations. [54300]

The Minister of State, Foreign and Commonwealth Office (Ms Joyce Quin): The United Kingdom has excellent relations with Germany and we look forward to developing them further with the new German Government. My right hon. Friend the Foreign Secretary and I will meet the new German Minister for Foreign Affairs, Joschka Fischer, for discussions both tomorrow and on Thursday.

Mr. Bradshaw: Does my hon. Friend believe that the election of a fellow centre left Government in Bonn will help in our Government's task of repairing our damaged relations with Germany—relations that suffered so badly under the previous Government—and that the election result shows that it is entirely possible to have decisive political change under a system of proportional representation?

Ms Quin: As the German SPD belongs to our political family, we are, of course, pleased that it has won such support from the German electorate. We look forward to working closely with the new Government, and it is satisfying to note that the centre left seems to be so popular with European electorates. Perhaps Conservative Members would like to reflect on that trend.

Mr. Crispin Blunt (Reigate): The Minister will be aware that the new German Government have already imposed a moratorium on an important joint arms programme, for the multi-role armoured vehicle. Defence relations are obviously an essential part of our relations. What is the new German Government's response to the Prime Minister's proposals for a change of policy on defence in Europe, which the House has not had the opportunity to hear?

Ms Quin: Chancellor Schröder complimented the Prime Minister on his contribution at Pörtschach, and felt that his proposals were a good basis for future discussions on that part of European policy. The Prime Minister's statement was welcomed generally as an important contribution to the debate of the heads of state.

Lockerbie

17. **Mr. Tam Dalyell** (Linlithgow): If he will make a statement on the progress of negotiations to resolve Lockerbie-related problems. [54301]

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Robin Cook): Last August, I announced agreements with the Governments of the Netherlands and of the United States on the conditions under which we could hold a trial of the two accused in a Scottish court sitting in the Netherlands. The agreement has been endorsed in a unanimous resolution of the Security Council, and the Secretary-General of the United Nations is in discussion with Libya on the arrangements for the handover of the two accused.

We have been able since to respond positively to all the concerns raised by the Libyan legal team, with the exception of the demand that, if convicted, the two accused should not serve their sentence in a Scottish prison. If they are found guilty, we can see no valid reason why they should not serve sentence in the jurisdiction of Scotland, where the mass murder took place.

Mr. Dalyell: Is it not a matter of record that the Libyan Government have constantly said that it is up to the defence team to decide, from its point of view, the locus of serving a sentence, if there is one? Does he not therefore take encouragement from the fact that, as far as most of us know, the defence lawyers have not objected to the locus of Scotland in terms of a sentence, if any sentence is passed?

Mr. Cook: It is, indeed, the case that the defence lawyers have not expressed any view on where the accused should be held in prison. However, I should tell my hon. Friend that, before we made our offer last August, there was no statement from the Government of Libya expressing any concern about imprisonment in Scotland. That concern surfaced only after we had met their demand for a trial under Scottish law in a third country. We now expect Libya to oblige the Security Council resolution by surrendering the two accused for trial on exactly the same basis as that for which Libya itself has lobbied for a long time.

Sir Teddy Taylor (Rochford and Southend, East): As the Government of Libya have indicated in writing that they agree to the proposals, subject to some amendments, and as the British Government have said that there will be no amendments, is it not rather insulting to the House

that the draft order setting out the proposals for the trial and the expenditure has been dealt with under a procedure entailing that the order cannot be discussed in the House? Does not the Foreign Secretary think that it would be appropriate for the House to debate the order and to be able to express a view on it? Does he not also agree that there is a case for quiet private discussions and flexibility, and that the issue could well be resolved very speedily?

Mr. Cook: The draft was passed by an Order in Council under the standard procedures for Orders in Council, and gives effect to a Security Council resolution, which has standing in international law. As for flexibility, the Libyan defence team has come up with no concern on which we have not been able to reassure it, except for the one matter of it wishing to dictate where the two accused might serve their sentence if convicted.

There is nothing to stop any hon. Member debating the issue. I rather wish that we were dealing with a regime that would allow the Libyan people to discuss it in the same open way.

Points of Order

3.31 pm

Sir Norman Fowler (Sutton Coldfield): On a point of order, Madam Speaker. May I seek your guidance on a point of order of which I have given you notice? As you know, we have asked the Home Secretary to come to the House to make a statement on the position of General Pinochet. There are important questions to be asked, ranging from the handling of the case to the condition of General Pinochet himself.

The Home Secretary may feel himself inhibited in making such a statement by the proceedings currently taking place in the divisional court, which I understand will soon be completed. I think that it is important that the House should be able to hear a full statement on the case, given that it is being extensively reported in the media, not only in the United Kingdom but around the world. Could you confirm that, once the proceedings in the divisional court are concluded, there will be nothing to prevent the Home Secretary from coming to the House to make a statement?

Madam Speaker: Thank you, Sir Norman. I know that Mrs. Clwyd has a similar point of order, which I shall take now.

Ann Clwyd (Cynon Valley): Thank you, Madam Speaker. Further to that point of order, although I know that we have had a few little differences in the past, I was very surprised last night to receive from the Table Office a letter informing me that my early-day motion—which was signed by 75 of my colleagues, and expressed the opinion that we were pleased at Senator Pinochet's detention in Britain—had been suspended from the Order Paper. I am a little confused because, during Foreign Office Question Time, we have had quite an open discussion of the matter.

Why is it possible to express an opinion on the matter, one way or the other, during Question Time, whereas it is not possible to express an opinion on the Order Paper? I know that many more of my colleagues wanted to sign that particular early-day motion. I should therefore be glad if you could throw some light on the matter.

Mr. John Wilkinson (Ruislip–Northwood): Further to that point of order, Madam Speaker. I should like to add to the observations expressed by the hon. Member for Cynon Valley (Ann Clwyd), in as much as I tabled an amendment to her early-day motion, to express the view that the Senator should be allowed to return to Chile to recuperate, and perhaps to receive there the extradition request from the Spanish authorities. I too received notice from the Table Office that my amendment had to be withdrawn.

You will recall that I sought to raise private notice questions on Monday and Thursday of last week on the Senator Pinochet affair. When the divisional court proceedings are over, will it be possible for hon. Members to table private notice questions on matters relating to the senator if there are important developments that require the House's urgent attention?

Several hon. Members *rose—*

Madam Speaker: How many more points of order before I can respond?

Mr. David Winnick (Walsall, North): Further to that point of order, Madam Speaker. It should not be thought that it is only Opposition Members who would like the opportunity, if the rules permitted it, to discuss the Pinochet affair. As you may or may not know, I have been keen for such a debate to be held on the Floor of the House. The reason that I want it debated at the earliest opportunity, although I recognise the limitations set by our rules, is that many of us want to explain that Pinochet is a murderer and should be—

Madam Speaker: Order. I am dealing with a point of order. If the hon. Gentleman is expressing an opinion, I have no time for that at this moment. This is a serious matter.

Mr. Jeremy Corbyn (Islington, North) *rose—*

Mr. Gerald Bermingham (St. Helens, South) *rose—*

Madam Speaker: Order. I think that I have the feeling of the House about this matter. I have been in the House for some 25 years; I am very sensitive to its needs, and I try to respond.

I know that the right hon. Member for Sutton Coldfield (Sir N. Fowler) is concerned that he is inhibited from commenting in the House on matters that he has been widely asked to comment on outside. I know too that the hon. Member for Cynon Valley (Ann Clwyd) is frustrated, as other hon. Members no doubt are, that her early-day motion and those of others, along with amendments to them, relating to Senator Pinochet have been withdrawn from the Order Paper because the matter is now sub judice. I fully understand Members' concerns, but I must have regard to the rules of the House. I do not make the rules of the House; I simply carry them out until they are changed.

Our sub judice resolutions, which can be found in the Standing Orders of the House, require that there should be no comment on matters awaiting jurisdiction in the courts. A hearing is currently being held relating to the legality of the senator's arrest and, in due course, a court may have to decide whether the evidence against the senator is sufficient to warrant his trial in Spain. Hon. Members must therefore take care not to offend against the rule, which exists to avoid conflict between Parliament and the courts and to ensure that the judiciary and the courts remain, and are seen to be, free from political pressure.

I shall of course ensure that hon. Members are able to raise with Ministers in the House any matters relating to this issue as soon as it is in order to do so. I shall watch proceedings carefully and ensure that, when the

[Madam Speaker]

proceedings in relation to the arrest and the extradition request are completed, the early-day motions are restored to the Order Paper. I can say no more at this stage.

Mr. Corbyn: Further to that point of order, Madam Speaker—

Madam Speaker: No. There are no further points of order on this. That is a very clear ruling. I shall take no further points of order on the matter.

Mr. Crispin Blunt (Reigate): On a point of order, Madam Speaker. We were just told During Foreign Office questions by the Minister of State, Foreign and Commonwealth Office, the hon. Member for Gateshead, East and Washington, West (Ms Quin), the reaction of Chancellor Schröder to the Prime Minister's proposals on European defence, proposals that Philip Webster of *The Times* has heard but which the House has not. Have you had any notice of a statement by the Prime Minister, the Foreign Office or, indeed, the Ministry of Defence on this matter?

Madam Speaker: No, I have had no indication that any statement is going to be made by any Minister on that matter today.

Mr. Gerald Howarth (Aldershot): On a point of order, Madam Speaker.

Madam Speaker: Of course, if it is on a different matter.

Mr. Howarth: May I just ask you—

Madam Speaker: Order. I have given a very clear ruling. I shall take no further points of order on this matter.

Mr. Harry Barnes (North–East Derbyshire): On a fresh point of order, Madam Speaker. The weekend summit in Austria was described as informal, but it is nevertheless of considerable interest to the House. As it is a House of Commons matter, has there been any approach to you to suggest that there will be a statement by the Prime Minister on what took place? It has already been mentioned in a partisan manner by the shadow Foreign Secretary, who linked it with Chile. However, will the matter be separately debated by the House?

Madam Speaker: It is not a matter for me whether time is available for such a statement. If the Prime Minister or any Minister wishes to make a statement, I shall ensure that he or she can do so. In answer to the hon. Gentleman's question, I have had requests from other hon. Members for such a statement, but none has been forthcoming.

Adoption (League Tables)

3.39 pm

Mr. Julian Brazier (Canterbury): I beg to move,

That leave be given to bring in a Bill to require local authorities to publish annual totals of numbers of children in care, numbers of children adopted and numbers of parents available to undertake adoptions; to require local authorities to provide the Secretary of State annually with a list of children in care, together with the length of time each child has been in care; and to require the Secretary of State to publish league tables of local authorities based on that information.

I am privileged to have support for the Bill from hon. Members on both sides of the House, including the members of the all-party children group; the chairman of the child abduction group; the Chairman of the Public Accounts Committee, my right hon. Friend the Member for Haltemprice and Howden (Mr. Davis), who generously gave up his slot for this Bill, and the right hon. Member for Birkenhead (Mr. Field).

As we read today of young lives ruined by physical and sexual abuse, drug-taking and prostitution, many of us think, "Thank God that our children are not involved"; but surely all children matter. Perhaps the worst feature are the horrific statistics relating to children taken into care—those for whom the state has taken responsibility. We owe a special responsibility to them because they have no voice of their own.

Since my earlier ten-minute Bill on adoption, there has been another horrifying report to the House on the vicious abuse of children in another state-run children's home. Many workers in children's homes work intensely hard to do their best for very damaged children, but the overall statistics are extremely bleak. Children leaving care are 50 times as likely as other children to end up in adult prison. They are far more likely to be drug abusers. Perhaps most horrifyingly, girls in care have a one in four chance of being pregnant at some point during their time in so-called care. The evidence is that the rate of abuse of boys is almost the same.

We are failing the most vulnerable and defenceless members of our community, but there is one underrated institution that has a remarkable success rate—adoption. Studies from all over the world show how successful adoption is. Children from care who are adopted do much better not only than those who remain in care but than those returned from care to their natural parents. Incredibly, children adopted from care, including badly damaged children, out-perform even those who remain with certain categories of natural family.

Numerically speaking, however, adoption has collapsed. Only 6,000 children were adopted in 1995, compared with 22,000 a generation ago. The most scandalous figure is that, last year, fewer than 2,000 children were adopted from care, out of more than 50,000 currently in care. The number of children in care has started to rise again, while the number of those adopted from care continues to fall year after year. There are many families who would love to give those children a loving home.

In an earlier ten-minute Bill, I proposed legally forcing local authorities to give priority to adoption in certain circumstances, and to give assistance to couples adopting. I greatly regret that there is not to be an adoption Bill, although I welcome the fact that the Under–Secretary of State for Health has taken the trouble to come and listen to my speech.

In August, a circular from the Department of Health called on local authorities to be more open to adoption. I am sure that hon. Members on both sides would endorse the circular, but it is no substitute for legislation. I fear that many local authorities will ignore it, as they did a similar circular from the Minister's predecessor, John Bowis, who was then the hon. Member for Battersea, leaving the most vulnerable children in our society as the losers.

My previous Bill was given a First Reading without a vote. I am grateful for the all-party support for this more modest measure. The aim of the Bill is to turn the aspirations of successive Ministers and of hon. Members on both sides into clear reality. By ensuring the compilation of more statistics, the Bill would expose those local authorities that are holding children back from adoption for ideological reasons. It would require local authorities to furnish the Secretary of State with a list of every child in care, saying how long it has been in care. Incredibly, despite the clear legal requirement, many such children have not even been furnished with proper care plans.

The Bill would further require the Department to publish, by local authority, not just the total number of children in care, but how long they have been in care, the total number deemed suitable for adoption, the number who have been adopted and the number of parents cleared by the local authority as suitable for adoption. According to the Government's recent circular, all that information should be provided to elected councillors. By forcing local authorities to provide it in a standard format to the Government—and hence to Parliament—the Government, Parliament and the public will be able to see which local authorities are dragging their feet. Lest there be any doubt that some local authorities are dragging their feet, I remind hon. Members that last year 50 local authorities had 10 or fewer children adopted from care. Indeed, a few did not have any children adopted from care in the most recent accounting period.

The Bill would help to expose the unnecessary suffering of children trapped in the care system when there are loving families who would love to give them a home. In my earlier measure, I sought to give the Secretary of State the power to intervene with local authorities that did not appear to be acting in the best interests of the children concerned and to hand over their adoption responsibilities to voluntary organisations. This Bill would at least make the information public, showing which were the local authorities concerned.

We have a large and growing number of children slipping through the cracks from care into crime, drug taking and child prostitution. We must move the emphasis from long periods in children's homes—and in the case of some local authorities, politically correct experiments in placements, some of which are transitory—to a higher proportion of adoption, which should be effected by married couples, in my opinion. That would offer thousands of children who are lost in and by the care system the prospect of a decent home and a better life.

The hon. Member for Lancaster and Wyre (Mr. Dawson) has courteously written to tell me that he intends to oppose the Bill, but does not intend to put the matter to a vote. I should like him to answer two questions. First, does he accept that some local authorities are actively opposing adoption? Secondly, if he does not accept that, how does he explain why some had no children adopted out of care last year and many others had so few—and how does he explain the continuing fall in the national total? The system is unsatisfactory. We all want a Bill to facilitate adoption, but in the meantime, does the hon. Gentleman believe that it is all the system's fault? If he wants to oppose the Bill, I ask him to give the House the opportunity to vote on it.

3.49 pm

Mr. Hilton Dawson (Lancaster and Wyre): I should like to oppose the Bill. In doing so, I commend the commitment of the hon. Member for Canterbury (Mr. Brazier) and applaud him for bringing the important subject of adoption to the House. He asked me two direct questions, which I shall try to answer. I would be surprised if any local authority were actively opposing adoption. Some individuals—perhaps influential individuals—may have got themselves into a position where such events have resulted.

Sometimes, as I want to explain, adoption has fallen by default. The situation in adoption services is very serious. Like the hon. Gentleman, I want them to improve and develop; I just do not think that this Bill is the proper way to achieve that. I do not want to press the matter to a vote at this stage, because the subject is very important and it is vital instead that we have a proper debate.

One of my worries about the Bill arises from the fact that adoption is not the only proper way of looking after children in care—or necessarily the best way. The majority of children who are looked after in care are returned home—many very successfully. Some children remain quite appropriately in long-term foster care, and some remain quite appropriately in long-term residential care. As has been said, it seems that, under the Bill, local authorities could be criticised for not having children adopted, even when a good assessment, a well worked care plan and the wishes and feelings of the children indicate some other solution.

I commend the desire for information, which we of course need. As has been acknowledged, much of the information that would be required under the Bill is routinely collected or is on its way to being collected. If we want to improve and develop adoption as a profoundly important way in which to help children in care—I think that both the hon. Member for Canterbury and I do—we need to collect more sophisticated information about needs and resources throughout the care system and evaluate outcomes for care-leavers, including those who were adopted, rather than take up the ideological position of thinking that it is always or invariably best to adopt. We need to empower young people to tell us what it is really like for them in care.

We need fundamental reform of the care system. I am so pleased that the Government have introduced the "quality protects" initiative. I also look forward to the response to the Utting report. The importance of this debate is that it helps to draw attention to the problems in adoption. I agree with the figures that have been quoted. Recent research by the British Agencies for Adoption and Fostering shows that the use of adoption has fallen from 2,800 instances in 1992 to 2,300 in 1996, and that adoption is primarily an outcome for very young children. Indeed, 90 per cent. of those adopted in 1996 were aged five or under. The research reports terrible delays in finding placements and between making those placements and achieving the adoption.

[Mr. Hilton Dawson]

The Government are addressing those issues. They have taken sensible steps in "Adoption: achieving the right balance" to reinforce what I, as a former practitioner, would regard as good practice: recognising the benefits of adoption while taking account of the significance of race, culture, religion and language, so as to ensure that children are not denied adoptive placements on such grounds; accounting sensitively for age, health and smoking factors; and giving priority to long-term planning and a regular review of services.

I was worried by the fact that the hon. Member for Canterbury allowed comments about ideology and about political correctness to creep into his speech. Such thinking is not prevalent in social services departments.

Although local authorities should be accountable, league tables are wholly inappropriate for a complex, subtle, highly professional process, carefully assessing the individual child, balancing the needs of siblings, trying to keep families together, weighing the importance of contact with birth families, matching needs with the perceived qualities, abilities and experience of prospective adoptive families and, above all, trying to look into the future and work out how things will develop, perhaps a decade ahead. It may be a controversial view in the House, but I believe that there are a great many excellent social workers; they need to be encouraged and supported in good practice in complex and difficult human situations instead of being hit over the head with crude and misleading league tables.

The hon. Member for Canterbury referred to the lack of an adoption Bill; I entirely agree that one is needed. I am sorry that other aspects of his proposal today missed their opportunities. I should like to push the Government a little more. On Tuesday 20 October, in the House, the British Agencies for Adoption and Fostering launched their adoption action plan. It is very good stuff. Some of it has been around for a very long time. We need a new Adoption Act. In 1996, a draft Bill on adoption received support from both sides of the House. A new Act could clarify the status of adoption in line with the Children Act 1989, in England and Wales. Other parts of Great Britain have already done so.

We need national standards for adoption services, to help improve practice across the board. We need performance indicators. We need ethnic monitoring of children in care and the adoption opportunities available to them. We need a national register of prospective adopters, so that people in one part of the country need not wait ages when children from another part might easily and properly be placed with them.

We need paid adoption leave for adoptive parents. That is so important in forming that vital bond early. We need adoption allowances, so that couples who are fostering children successfully are not financially penalised if they make the greater commitment to adopt them. Crucially, support services need to be provided for adoptive families after adoption.

Although the Bill is well meaning, it misses fundamental points. In the past 12 months, there have been signs that the Government have the potential to be a great reforming Government for children in care. Some good steps were taken in the recent Adoption Agencies and Children (Arrangements for Placement and Reviews)(Miscellaneous Amendments) Regulations 1997, but the Government can do more. We could all do more, so let us do it.

Question put and agreed to.

Bill ordered to be brought in by Mr. Julian Brazier, Mrs. Llin Golding, Mr. David Davis, Mr. Bill Olner, Sir Sydney Chapman, Mr. Malcolm Wicks, Mr. Andrew Rowe, Mr. Frank Field, Mr. Laurence Robertson, Mr. Elfyn Llwyd, Mr. John Burnett and Mr. Christopher Fraser.

ADOPTION (LEAGUE TABLES)

Mr. Julian Brazier accordingly presented a Bill to require local authorities to publish annual totals of numbers of children in care, numbers of children adopted and numbers of parents available to undertake adoptions; to require local authorities to provide the Secretary of State annually with a list of children in care, together with the length of time each child has been in care; and to require the Secretary of State to publish league tables of local authorities based on that information: And the same was read the First time; and ordered to be read a Second time tomorrow, and to be printed [Bill 249].

Orders of the Day

European Parliamentary Elections Bill

Lords amendments considered.

Clause 1

NUMBER OF MEPs, ELECTORAL REGIONS AND ELECTORAL SYSTEM

Lords amendment: No. 1, in page 2, line 1, leave out ("a registered party, or").

3.59 pm

The Secretary of State for the Home Department (Mr. Jack Straw): I beg to move, That this House does disagree with the Lords in the said amendment.

Madam Speaker: With this, it will be convenient to discuss Lords amendments Nos. 2 to 4.

Mr. Straw: As the Under-Secretary of State, my hon. Friend the Member for Knowsley, North and Sefton, East (Mr. Howarth) and I have said many times, it is the Government's fundamental belief that an electoral system should be appropriate to the nature and function of the body that it is electing. In the case of the European Parliament, the Government believe that the simple regional list system—some people call it the closed list system—is the most appropriate way for the voters of Great Britain to elect their Members of the European Parliament.

I shall not, unless tempted—this is a serious warning to my hon. Friends—go over much old ground on the pros and cons of proportional representation, multi-Member regions, or the size and composition of those regions. *[Interruption.]* I believe in regions. I am strongly committed to regions.

I am pleased to see the right hon. Member for North-West Cambridgeshire (Sir B. Mawhinney) in his place. Since he debated the issue with me—there is no linkage here—the scope of the debate has narrowed. Over the course of almost a year, this House and the other place have agreed that the next elections to the European Parliament should take place under a regional list system. What we are now considering is the fascinating and important question of what kind of regional system should be used.

You, Madam Speaker, are one of the experts on electoral systems. You will know, as others may not, that there are basically three types of list system—closed, semi-open and open. As originally drafted, the Bill provided for the first of these—a closed list system.

Sir Norman Fowler (Sutton Coldfield): Semi-open.

Mr. Straw: The right hon. Member for Sutton Coldfield (Sir N. Fowler) mutters from the Front Bench, but I have a feeling that he did not want to hand over the baton as shadow Home Secretary until after we had debated the merits of the semi-open list—namely, the Belgian list.

Sir Norman Fowler: We have got that.

Mr. Straw: Very good. I shall deal with the Belgian list in a moment, even if not tempted.

When I first presented the Bill to the House, it contained the proposal for a closed list system. The amendments that have been made in the other place provide for the last of those three systems—a fully open system. I shall explain, especially to hon. Members who support the open system, how it would work. Sometimes, as is said in the Guinness advertisements, things are not always as they appear.

For a party which, I am told, is united on first past the post, if it is united on nothing else, I must explain that the result of its proposal will be eccentric in the extreme, and will not lead to the horses that get first past the post actually winning the seats. Indeed, some of the old nags who saw the vet the previous day and who are way behind the first in the field will win the seats in the European Parliament. I wonder whether that was the intended result. I shall explain how that will arise, then I shall be happy to take questions.

Under the open list system, an elector casts his vote for a particular candidate on a party's list, or for an independent candidate. What the voter cannot do is cast his or her vote for the party's list as a whole.

With the regional list system, we are not dealing with a standard first-past-the-post multiple vacancy system of the kind that Labour Members knew and loved during the 18 years of opposition, which was called the shadow Cabinet electoral system. That also produced some eccentric results, of which I suppose I am an example, but the one thing that it did not produce, except in respect of those four women's places, was an outcome where someone who received more votes did not get elected and someone who received fewer votes did get elected. That will be the result of the proposed system.

The voter will have one vote and may cast it for an independent candidate or for one of, say, the 10 or 11 Conservative, Labour or Liberal Democrat candidates on the list. What the voter cannot do is to cast his vote for the party as a whole. The hybrid semi-open system is the Belgian system, which we debated at some length and which is not before the House today. However, I shall elaborate on that system if I am asked to do so.

The votes received by each candidate on a party list are first added together to give the party's total number of votes. That figure is used to determine how many seats a party has won. I do not need to remind the House that the method used to determine how many seats a party has won by was devised by our old friend, that famous Belgian Victor d'Hondt.

Mr. John M. Taylor (Solihull): Whatever happened to him?

Mr. Straw: I think that he died—he went the way of all flesh. By the way, I have a feeling that "d'hondt" means "dog" in Flemish. Some might say that we have been dogged by the d'Hondt divisors.

Mr. Gerald Bermingham (St. Helens, South): It is obvious that Mr. d'Hondt's name drove him to an untimely demise—and it will no doubt do the same to us. According to the Home Secretary's comments, under the open list system, a person votes for only one candidate, and that gives rise to all sorts of peculiarities. Would it not be possible to arrange that, if a person votes for a particular candidate, that is also his or her preference

[Mr. Gerald Bermingham]

within the party? That would give the candidate an added vote in the final count, and would allow a person to vote for the list. That is surely not beyond the wit of man.

Mr. Straw: My hon. Friend is entirely correct in saying that that is not beyond the wit of man or woman. In fact, it is, roughly speaking, the Belgian system. The only problem is that that is not the system before the House for which the other place voted. The other place voted for a wholly open system—

Mr. Richard Allan (Sheffield, Hallam): The Finnish system.

Mr. Straw: I rest my case. Finland is a wonderful place, but a third of Finns do not understand the Finnish language.

The other place voted for the open list system, which produces slightly odd results. Under that system, one aggregates all the votes cast for candidates of a particular party. Therefore, one adds up all the votes cast for Conservative, Labour and Liberal Democrat candidates and so on. That produces the total number of votes cast for the parties and one then uses a d'Hondt divisor to calculate how many of the 10 or 11 vacancies in the region will go to each party.

The seats are allocated in the order of the votes received. That means that, if a party wins three seats in a region, those seats will be allocated to the three candidates who won the most votes among candidates of their party. However, this is where the system becomes slightly eccentric. For example, there may be one very strong candidate on a party list—I shall pick at random the right hon. Member for Sutton Coldfield. There may also be several unknown candidates on the party list. I choose, by way of further example—there will be complete approbation on this point—the Whips, who are faceless, who never speak and whose constituencies I have forgotten. That applies on both sides of the House.

So there is one strong, very well-known party candidate on the list and several other candidates who are not known at all—as they say, they are not even household names in their own households. Let us suppose that the right hon. Member for Sutton Coldfield receives 100,000 votes in that region.

Mr. John M. Taylor: He would get more than that.

Mr. Straw: His hon. Friend, the speechless Whip, says that the right hon. Gentleman would get more votes than that. For the sake of argument, we shall say that the right hon. Member for Sutton Coldfield receives 1 million votes—I think that that is reasonable in the circumstances. Let us assume—I do not want my example to get too complicated, Madam Speaker—that there are just five vacancies in that region, and the other four candidates each receive 200,000 votes. It will be quickly realised that the Conservative party has received 2 million votes, and, in this region in my entirely hypothetical example, has done better than the other parties. Therefore, it wins three out of the five vacancies, because the other parties received fewer than 2 million votes.

Then we allocate the three seats to the three Conservatives. It has happened that, as well as one Conservative getting 1 million votes and the others getting 200,000 each—my arithmetic was wrong, because there would have to be six candidates if there were to be 2 million votes altogether. By the way, this is a simple system. It is the simple closed system. It happens that there are some medium-strong candidates on our side, the Labour side. The obvious such candidate is my hon. Friend the Member for Linlithgow (Mr. Dalyell), who I suggest gets 800,000 votes. The process would go on, with another of my hon. Friends getting 500,000 votes and the rest getting fewer than 200,000.

Under this system, the right hon. Member for Sutton Coldfield fairly gets elected and gets one of the seats. However, the next two seats are not awarded to the candidates who in the round have more votes than the faceless Whips. The seats go to a couple of candidates who each secured 200,000 votes. There are others who have 400,000 or 500,000 votes who do not get elected. My hon. Friend the Member for Linlithgow is elected, and someone else who gets 600,000 votes is elected. There are the other three who get fewer votes—say, 300,000 each. The aggregate of those comes to fewer than 2 million votes.

Miss Anne McIntosh (Vale of York): Will the Home Secretary give way?

Mr. Desmond Swayne (New Forest, West): Will the right hon. Gentleman give way?

Dr. John Marek (Wrexham): Will my right hon. Friend give way?

Mr. Straw: Of course I will. I will give way shortly.

The electors will say, "This is rather odd." By the way, I agree that it is rather odd. I modestly suggest that the electors will say—I understand that the Conservative party is backing this arrangement—"This is particularly odd for a party which otherwise has been consistently in favour of first past the post."

I have excited a little interest, and at this stage I will give way to the hon. Member for Vale of York (Miss McIntosh).

Miss McIntosh: I hope that on this occasion I can assist the Home Secretary and avoid the scenario of dog eating dog that is pervading the Chamber. Missing from the right hon. Gentleman's scenario—he has spoken eloquently, and we have all enjoyed hearing it—is the electors' choice. Does the right hon. Gentleman not share my concern that the greatest handicap of changing the system on 10 June next year is that, for the first time ever, the elector will be prevented from voting for a mainstream candidate from one of the major parties in the election system as we know it? This will lead to massive confusion, and possibly a record number of spoilt ballot papers.

Mr. Straw: I shall answer that point seriously, because I think that it deserves a serious answer. My judgment is that we end up with less voter choice, paradoxically, under the open system than under the closed system.

Mr. Eric Forth (Bromley and Chislehurst): What?

Mr. Straw: If what the Conservative party were putting forward—*[Interruption.]* I shall give way, but I should like to develop this point.

If it were being proposed that there were as many votes as there were vacancies, the hon. Member for Vale of York would be right, and the open system would be the appropriate one. We can argue then about the problem of proportionality if we have the first-past-the-post system in a multi-Member constituency. We can argue whether there should be ranking in order or in some other way, but the hon. Lady would be right. If each voter was allowed to vote for every person on the list, there would for sure be greater voter choice. We would also end up with the situation in which the candidates getting the most votes would win. I happen to think that that is rather an important principle, which we have to stick by.

Under the closed list system, I think that there will be a good degree of choice. It is the choice of a party. When I stand in Blackburn, I stand as the Labour candidate. If people want to vote Labour, they must vote for me. Let none of us believe that, if we stood simply as the J. Straw party, we would get the same number of votes. That has been tried once or twice. I remember S. O. Davis, who was a legend in his lifetime—*[Interruption.]* I shall give way in a moment. S. O. Davies tried it, as have many others. The truth is that we get to this place because of our party backing. If that were taken away, most of us would not be here. That would almost certainly include me. The closed list system gives clarity and a degree of fairness.

We are debating not the merits of various systems but the proposition that came to the House from the other place, which I am trying to point out has serious defects from the point of view of the principles which the Conservative party holds dear.

4.15 pm

With one vote, voters must plump for one of, say, in larger regions, 10 candidates. Either they will go for the person who is top of the list alphabetically—that discriminates heavily against those of us who are at the bottom of the list, which is always my explanation of how I came near the bottom in the shadow Cabinet elections; another explanation was the well-informed electorate, and a third was the fact that I could not properly explain the regional list system—or, and this is much more important and a good deal of research evidence shows it in multi-member wards in local elections, they vote for the white male, and they certainly do not vote for anyone whose name sounds foreign and may be Asian.

The truth is that most of the candidates in most of these regions—it was also true for the European elections under the single-Member constituencies—are known to only a small minority of their electorate. We know that to be the case, and there will be no change between the new and the old systems, because the number of MEPs, however good they are, who could conceivably develop a connection with their electorate so that they could have a personal vote, is tiny.

It is not true that voters will be informed about the relative merits of the candidates. What they are informed about is the relative merits of the parties.

Dr. Marek: My right hon. Friend got to the truth of the problem when he said that it was a choice for the party. In the case of Labour, it has been a choice for the Labour party centrally. Does he know that in Wales a candidate was put on the list who ordinary Labour party members did not know was in contention and who was not being considered, and it was a complete surprise to all of us in north Wales when the list was produced? It is difficult to find any Labour party member in north Wales who will help in the European Parliament election next June. That is the problem with the closed list.

Mr. Straw: I am aware of the case. I have just been briefed. I have refreshed my memory. Actually, I do now remember the case. We are debating a system which should apply by law for voters. We are not debating, although I am happy to do so if you, Madam Speaker allow me, the merits or otherwise of the Labour party's internal system.

I simply say that, because of our unrivalled act of generosity in putting forward this system of proportional representation, which will be put into effect next June—never before in Britain's history has a party voluntarily given up quite a large number of seats to its erstwhile opponents, but we are doing so—we have more MEPs than, even with the kind of result that we had at the last election, could be elected under the new system. That has meant some personnel management as we downsized the cadre. That, in turn, has created difficulties.

Mr. Desmond Swayne (New Forest, West): The principal factor in the scenario that the Home Secretary has painted is not the openness of the list but the operation of the d'Hondt formula. That formula is coincidental to the amendment, but is at the heart of the system that he proposes. To take the right hon. Gentleman back to his opening remarks that the electoral system must be appropriate to the body that is being elected, is he suggesting that, because the European Parliament is not really a Parliament, we can afford a barking electoral system to elect it? If so, those on this Bench might find it attractive.

Mr. Straw: If we are to have multi-Member constituencies, we must work out a way of dividing the vacancies among the parties. One way of proceeding is to give electors as many votes as there are vacancies. Electors vote either by marking a cross or by choosing a number between one and, say, five, and the computer does the rest. However, that is not what we are discussing here today. I doubt whether that kind of proportional representation would be acceptable to the Conservative party.

Dr. Norman A. Godman (Greenock and Inverclyde): Will my right hon. Friend give way?

Mr. Straw: I shall in a second.

If there are fewer votes than vacancies, one must use some form of mathematical divisor, whether it is an open list, a semi-closed or an entirely closed system. That is not directly relevant to the merits of the case that we are discussing today. My comradely advice to the Conservative party about its future self-interest is that it is well served by the d'Hondt system. Indeed, that is the only reason that I proposed it.

Mr. Llew Smith (Blaenau Gwent): Would the Home Secretary be kind enough to remind the House of the content of the excellent document that he once wrote for

[Mr. Llew Smith]

the national executive of the Labour party, in which he criticised not only the closed system of PR but every other system?

Will the Home Secretary now respond to the points raised by my hon. Friend the Member for Wrexham (Dr. Marek)? There seem to be two problems. Under the closed system, those who decide who the Members of the European Parliament will be are not the electorate but a small panel within each individual party. As my hon. Friend the Member for Wrexham said, that problem is made even worse within the Labour party, because those who decide on the candidates are not the members, through one person, one vote, but a panel of about a dozen people. My predecessors, Aneurin Bevan and Michael Foot, would not have been acceptable, because their views would have been too radical and too socialist, and because they were too dissenting.

Mr. Straw: As far as I recall, the excellent tract that I wrote applied to the Westminster Parliament. We are dealing with horses for courses.

Mr. Llew Smith *rose—*

Mr. Straw: My hon. Friend has asked a series of questions, and I wish to deal with them. He asked how each party decides on the make-up of its list. That is not this House's responsibility.

Mr. Smith: The Home Secretary raised the issue.

Mr. Straw: As I said, it is not a matter for the House. My hon. Friend the Member for Wrexham (Dr. Marek) asked what had happened in the Labour party system, and I have sought to respond.

Mr. Smith: My hon. Friend the Member for Wrexham asked about internal party democracy only in response to the point which the Home Secretary raised on that very matter.

Mr. Straw: I think that the record will show otherwise.

Mr. Gordon Prentice (Pendle) *rose—*

Mr. Straw: I shall allow my hon. Friend to intervene, and then I shall get on with my speech.

Mr. Prentice: I do not want to labour the point, but, as the Home Secretary acknowledges, under the closed list system, real power transfers to the party. If we are to have a closed list system, we need a completely transparent system of inner-party democracy so that Labour party members realise why a candidate has been selected to represent the party at the European elections.

It is invidious to name names, but I shall do so. My Member of the European Parliament, Mark Hendrick, whom the Home Secretary knows well, is sixth on the list in the north-west. We will win that sixth seat only if the result in next year's European parliamentary elections replicates the good result that we had in the north-west in the general election last year, when Labour took 54 per cent. of the vote.

Mr. Straw: I know that my hon. Friend will work hard for that result, as will the rest of us.

If we have a regional list system, we must have a system for establishing the ranking for each party. I appreciate some of the concerns of my hon. Friends about the way that the arrangements have worked out within the Labour party, but they have worked out in that way—I do not make a joke of this at all—principally because of the circumstance in which we have had to manage difficult change. We are—as I have said, it is an act of most extraordinary generosity—in practice handing over to other parties seats which we would otherwise win, to support this principle of proportional representation.

Mr. David Curry (Skipton and Ripon): Does the Home Secretary accept that the electoral choice is purely at the margin in the system that he proposes? Of the 87 MEPs to be selected to represent the United Kingdom, about 70 or 75 will know whether they will be elected or not before the election even gets under way. Therefore, it is at the margin—at No. 3 or No. 4 on a list of seven, or at No. 6 or No. 7 on a list of 11—where the only choice is to be made. The rest might just as well pack off and have an early holiday, or investigate the good restaurants in Strasbourg, whether they will be elected or not, and leave the handful who will be at the margin—on the cusp—of that choice to be selected by the electorate.

Mr. Straw: Things will not work like that, which is my point. Far from the open list system leading to serious voter choice, it will lead to completely arbitrary circumstances. I do not know whether the right hon. Gentleman was in the Chamber when I said this, but I do not believe for a second that the electorate will stand for circumstances in which candidate X, who gets 500,000 votes, is not elected, and candidate Y, who gets 300,000 votes, is elected. No one will understand that. The idea that we will give the best voter choice in circumstances in which the candidates are not known, and everyone accepts that, seems unreal to me.

There are other results. Not only regional-list-based elections for the European Parliament are determined at the margin; all elections are determined at the margin, always. Although the right hon. Member for Skipton and Ripon (Mr. Curry) knew that his party was facing disaster, I guess that he assumed that, whatever happened, he would get elected. The same thing happened on our side in 1983. All elections are determined at the margin, but the open list system would also lead to candidates in a party competing not against the other party, but against one another.

Mr. Curry: My criticism was of the closed list system, which the Home Secretary is advocating. His point about the open list is that the other place has not changed it sufficiently, so we are locked into a system. He persistently talks about systems as if this Parliament were not competent to choose its own system.

May I take the Home Secretary's mind back to when this entire debate started, and we began the catalogue of what seems to be a protracted Belgian joke? He was urged to introduce a system under which there was genuinely open choice, but he declined to do so—after much hesitation, which was to his credit. We have now got ourselves stuck where he says that we have a choice between a cataclysm and a catastrophe. It seems that, whichever way the vote in the House goes, we will end up with an inexplicable system.

In the light of the Prime Minister's commitment to what I understand is supposed to be a Europe more relevant to its citizens, it is curious, if that is the Government's priority, that they have chosen the particular system that they have.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. Before the Home Secretary replies, may I say to hon. Members on both sides of the House that interventions are starting to become extremely long? It would assist the debate if they were brief and to the point.

Mr. Straw: May I deal with the right hon. Gentleman's last point? He is generally supportive of matters European. The system we propose is used by the majority of European countries and the majority of European voters. That may not make it right, but it makes it more usual.

Mr. Swayne: The Government's system is as eccentric as those in the amendments.

Mr. Straw: The suggestion is that the proposed system is somehow eccentric, or an aberration. It is not: it is commonly used in the rest of Europe.

Dr. Godman *rose—*

Mr. Harry Barnes (North-East Derbyshire) *rose—*

Mr. Straw: I shall give way to my two hon. Friends, and then I shall get on with my speech.

4.30 pm

Dr. Godman: May I correct what the Home Secretary said a few moments ago? He referred to this unparalleled act of generosity. He and his ministerial colleagues could argue that they were just as generous for the elections to the Scottish Parliament. Come next May, as a Scottish elector I shall have two votes: one for a candidate and one for a party. Reservations about the closed system similar to those of my hon. Friend the Member for Wrexham (Dr. Marek) have been voiced in the west and south of Scotland.

Mr. Straw: My hon. Friend is right. We have, to a slightly lesser extent—at least, I hope and pray so—been generous in the arrangements for Scotland, which will have an additional member system, as is proposed for Wales. We were committed to the regional list system: that was in our manifesto. For reasons which I need not go into now, we fought and won the election on that proposal. After the election, we brought forward the time for that change, and made it earlier. That was not fully anticipated in our manifesto.

Mr. Barnes: My right hon. Friend has so far produced two arguments against the amendments. He may have others, but he has been prevented from putting them, as there have been many interventions. One of the arguments is about members of the same party fighting against one another in a contest. That is the problem with the single transferable vote in a multi-Member constituency. The other argument is that, if three people are elected for a party, the person who finishes second or third may have fewer votes than a person who is not elected. The person who finishes bottom under the amended system may have been placed top on the central party list.

Mr. Straw: With an open list, it would be possible for someone to be elected who did not have the unanimous support of the politburo of the Conservative party, the Labour party or the Liberal Democrat party.

Dr. Godman: Or the Scottish National party.

Mr. Straw: Or the SNP.

The point about an open list is that it is not a ranked list: it is simply a list of candidates who have equality on the ballot paper—they are in alphabetical order—and it is supposed to be for the voters to put them in order. However, there is a fundamental problem. Some elected candidates may have fewer votes than candidates who are not elected, and it will unquestionably discriminate against women and people with foreign-sounding names—particularly Asian or Afro-Caribbean.

It has been accepted that I have given way a great deal. I should like to close my remarks.

Miss McIntosh: Will the right hon. Gentleman give way on a point to correct his information?

Mr. Straw: No. The Under-Secretary, my hon. Friend the Member for Knowsley, North and Sefton, East, says that there is no such thing as a point of information, but I hope that the hon. Lady will accept that I am giving loads of information.

The right hon. Member for Skipton and Ripon (Mr. Curry) referred to my consideration of the Belgian list proposal. I said that I would think about it. We were criticised for thinking about it for too long, but it was important to think about it for a long time before coming to a view one way or another. Our judgment was finely balanced, and we came down against it.

Miss McIntosh: Will the right hon. Gentleman give way?

Mr. Straw: For the last time, and it really must be the last time.

Miss McIntosh: The Home Secretary will correct me if I am wrong, but my distinct understanding is that nine member states have open lists. I am at a loss to understand why we do not want to be with the majority and go for an open list.

Mr. Straw: I do not think that that is correct. If the Under-Secretary catches your eye later, Mr. Deputy Speaker, we will give full information, but I am sorry to say that I am tolerably certain that the hon. Lady is wrong. I refer her to the Library's briefing paper, which has a big chart at the back.

Under a closed list system, there is no prospect of an anomalous result. Nothing is hidden from the voter. When voters cast their vote for the party of their choice, they can see the order in which that party's candidates will win seats, and they vote with that knowledge. The open list system provided for by the amendments—we are not discussing perfect systems; we are discussing the

[Mr. Straw]

amendment—is much more of a lottery for the voter. His vote will have two functions: to win seats for the party as a whole, and to win a seat for the particular candidate for whom he has voted. An elector who has voted for a candidate who is not elected may feel that he has wasted half his vote.

Under the closed list system, if the elector intensely dislikes candidates high on the list, he can do what can be done, in extremis, in any ordinary parliamentary election. If he really does not like the person who is standing as his party's candidate, he need not vote for that person. At the margin, we all have something of a personal vote, although I think that in only a few cases has that personal vote swung the result.

As has been said many times—this point should be noted by Opposition Members, and by certain of my right hon. and hon. Friends—the closed list system is essentially a first-past-the-post system, and first past the post is essentially a closed list system with a list of one. The closed list system has the great benefit of simplicity, which is a consideration that we should not ignore.

Let me quote from an academic source beloved of the Liberal Democrats, and one or two of my expert friends in the official Opposition. Professor Patrick Dunleavy and Dr. Simon Hix of the London school of economics, and Dr. Helen Margetts of Birkbeck college, said:

"Open list ballot papers are more complicated. The ballot paper will be much longer because all the candidates will have to be listed with ticked boxes. People may feel obliged to look over all the names, a lengthy business in the South East region where with 11 seats there could be 40 or more candidates . . . some people such as the elderly, those who have difficulty reading, first time voters, and people who are just attached to the existing way of doing things, may dislike the ballot paper or find it confusing".

I think that they will definitely find it confusing.

The document continues:

"A major study of voting systems carried out just after the 1997 general election (the Democratic Audit report, Making Votes Count) provided good survey evidence that British voters do not like complicated ballot papers with multiple names and tick boxes and strongly prefer simple short ballot papers."

All parties have been making, or indeed have made, arrangements to contest the next European parliamentary elections on the basis of a closed list system. Some of my hon. Friends have famously celebrated those new arrangements. Candidates for every party have already been selected, and are starting to campaign on that basis. I doubt that each party now wants to overturn all the arrangements, and start again with a different system.

No electoral system is perfect; all we can do is match the most appropriate electoral system to the body that it is being used to elect. We believe that, with the closed list system that was originally in the Bill, we have found the best match. I am not saying that it is the best system; I am merely saying that it is the best match. It is no coincidence that voters in Germany, France, Spain, Greece and Portugal use it to elect their MEPs.

Mr. William Cash (Stone): They follow a tyranny of the party list.

Mr. Straw: They constitute the majority of voters in Europe, and the majority will be even larger when we adopt the system. The hon. Gentleman seems to think that voters in Luxembourg should carry the same weight as voters in Germany. That is an interesting proposition.

Of course, the fact that the closed list system is used in those countries is not a reason in itself for us to adopt it, but it shows that we are not embarking on some constitutional innovation.

Mr. Cash: Does the Home Secretary remember a recent article in which Mr. George Jones of *The Daily Telegraph* disclosed some of the leaks from the Jenkins commission, which will report on Thursday? They revealed that, during a series of consultation exercises around the country, Lord Jenkins had been taken aback by the hostility towards the idea that introducing some form of proportional representation based on a list system—any list system—would increase party control. The people have shown that they do not like the party list system in any circumstances, be it open or closed.

Mr. Straw: It is dangerous for the hon. Gentleman to insinuate that the opinion of those who turn up to an open meeting of Lord Jenkins is somehow representative of the public as a whole. The hon. Gentleman could be hoist on a very large petard if he goes down that track. The British public have not had any experience of this system. It is not yet law; it is still a matter for Parliament to decide. Their experience will no doubt be informative, and will help to inform the wider debate on proportional representation.

Mr. Andrew Robathan (Blaby): Will the right hon. Gentleman give way?

Mr. Straw: No. I must finish.

The Conservative party is coming to the House in support of an open list system, but I do not believe that it understands the consequences of that system for its party. Moreover, I hope that we are not going to have too many high-blown phrases about how the open list system is morally superior to a closed list system. I remind the right hon. Member for Sutton Coldfield, the shadow Home Secretary, that the closed list system was the one chosen by the government of which he was a member for the elections to the Northern Ireland forum.

The right hon. Member for Huntingdon (Mr. Major), then Prime Minister, said of the closed list system, which the Northern Ireland (Entry to Negotiations, etc) Act 1996 provided for:

"I believe that this is a fair and balanced system that will produce a representative outcome."—[*Official Report*, 21 March 1996; Vol. 274, c. 498.]

That was good enough for him when he was arguing for a closed list system, and it is good enough for us. Of the systems available, the closed list system will produce a fair and balanced system, and a representative outcome. I therefore commend to the House our motion to disagree with the Lords amendment.

Sir Norman Fowler: I do not think that that was one of the Home Secretary's more convincing performances. At one point, when about 20 Labour Members were here, it was a matter not so much of his trying to convince us as of his trying to convince them. He was obviously totally unsuccessful. Most of them have now fled, and I am not

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surprised. Even the Under–Secretary of State, the hon. Member for Knowsley, North and Sefton, East (Mr. Howarth), looked rather doubtful by the end of the Home Secretary's speech. *[Interruption.]* He probably much prefers sitting through his master's speech half asleep—as he obviously is—to being woken up.

I will say this as a compliment to the Home Secretary: it is always interesting to hear a politician make a case in which he does not believe. It is clear that he did not have his heart in what he said. I am trying to be kind to him. It would be much worse if he believed all the stuff he was saying. If he does believe it, there is no excuse for the dismal case that he made.

As he waded through his script, the Home Secretary did establish one thing: he would not make a good returning officer. He set out his belief in the regions, but the House did not notice the same underlying belief in proportional representation. Nor am I remotely mollified by my endorsement as a popular Conservative candidate, which the right hon. Gentleman threw in halfway through.

Once more, the House of Lords has done us a service in allowing us to think again on a fundamental issue regarding next year's European elections. The Government have decreed that those elections will be carried out on the basis of a list system based on the regions. That is not the system that my party wants. I am a strong supporter of the first-past-the-post system and of the constituency base—and as far as I understand his position, so, frankly, is the Home Secretary—but that is not the choice that the House has before of it today.

The choice that we must make today is whether to support a closed list system where the party ranks the candidates in order of preference and the electors' only choice is which party to vote for, or an open list system, where the electorate have the opportunity to choose which candidates they want to elect.

Mr. Robathan: Does my right hon. Friend agree that the Home Secretary, in his defence towards the end of his speech, said that he wanted to go back to the closed list for the convenience of the parties and, I suggest, the power of the parties? He did not like the fact that the party might lose power and be a bit inconvenienced through this amendment.

4.45 pm

Sir Norman Fowler: That is entirely the basis on which the argument is advanced—this is for the convenience of the party. What hon. Members on both sides of the House have to decide is what is convenient for, and the desire of, the public. The electorate matter most.

Given the choice before us—between the closed system and the open list system—I have no hesitation in saying that the House of Lords was entirely right to vote for the open list system. The alternative was put frankly—although it was not put as frankly by the Home Secretary—by the Minister in the other place, Lord Williams of Mostyn, who said:

"What we are doing here is offering to the voters a list of party supporters in a way which has been determined by internal party choice."—[*Official Report, House of Lords*, 20 October 1998; Vol. 593, c. 1329.]

That is on the record. Given that description, I am not surprised that the Lords voted as they did. Lord Williams of Mostyn was entirely accurate in his description, however: the list system as proposed by the Government leaves the electorate voting for the party, while the candidates are determined by internal party choice.

Mr. Cash: Does my right hon. Friend recall that the Leader of the Opposition, in a brilliant speech at the Centre for Policy Studies on 24 February, said:

"of all the dangerous and destructive constitutional reforms currently on the table, perhaps the most dangerous and the most destructive is proportional representation"?

Does my right hon. Friend accept that, whether we are talking about Westminster or the European elections, this is an issue of principle, and that there is a substantial difference between the position that we should adopt and that which was adopted by the House of Lords?

Sir Norman Fowler: It is certainly an issue of principle. What the Leader of the Opposition said is absolutely correct, but let me give an example of what the system that the Government appear to want so much can mean.

On 23 September, *The Birmingham Post* reported that the existing Labour Member of the European Parliament, Christine Oddy, had been displaced as the Labour candidate by a former "EastEnders" actor, Mr. Cashman. Asked what Mr. Cashman knew about the west midlands—and I quote from the report—

"Labour bosses defended his record in the region saying he acted in 'The Rocky Horror Show' at the Birmingham Rep earlier this year."

The hon. Member for Birmingham, Selly Oak (Dr. Jones) knows that this is exactly what the Labour party said at the time.

The case got worse and worse. Miss Oddy told a Cuban solidarity campaign meeting at the Labour party conference:

"Tony Blair came to Strasbourg in July and he kindly agreed to a five-minute audience with officers from the European Parliamentary Labour Party.

You can imagine my astonishment when I was kissed on the cheek. I wonder if it was the kiss of the mafia when you see what has happened to me now."

Dr. Lynne Jones (Birmingham, Selly Oak): The right hon. Gentleman is correct to draw attention to some disquiet in the Labour party about the way in which the list has been put together, but, unfortunately, we do not have any opportunity to change that today: it is not what we are debating.

Sir Norman Fowler: That was a remarkably diplomatic intervention. Following the precedent of Mr. Cashman, the Home Secretary's wet night in King's Lynn would put him on the party's European list for East Anglia.

Why should the public have candidates foisted on them? The Labour party's selection system has few pretensions to democracy. The Conservative party has one member, one vote, meetings to select, and the Liberal

[Sir Norman Fowler]

Democrats have a postal ballot. However the candidates are selected, they remain party candidates; why should not the electorate be able to make their own choice?

Mr. Straw: Who selected the right hon. Gentleman?

Sir Norman Fowler: I was selected by my constituency association.

Mr. Straw: By the party.

Sir Norman Fowler: Certainly by the party, but at each election I appear on the ballot paper as a named candidate and people know precisely who I am. People in Sutton Coldfield are not asked to vote for Labour, Conservative or—

Mr. Straw *rose—*

Sir Norman Fowler: The Home Secretary spoke—not very illuminatingly—for about 45 minutes. He can wait a few seconds.

Our ballot papers at the general election did not say simply "Conservative", "Labour" or "Liberal Democrat"; the names were there. However we dress up the proposed system, the choice will be simply a party choice. Choosing the party will often not be enough. As an example, imagine that the hon. Member for North Durham (Mr. Radice) and Lord Shore were on the same ticket; despite being in the same party, they stand for completely different positions on Europe. Those positions are well understood, and I do not want to argue about which is right.

I mention Lord Shore because he is one of the Labour peers who voted against the Government on the issue, so he is partly responsible for our discussing this matter again today. Incidentally, another of those who voted against the Government was the Bishop of Blackburn, as the Home Secretary will doubtless be aware.

Mr. Straw: Whatever the bishop's private view, he is not a Labour peer.

Sir Norman Fowler: No, but Lord Shore is.

The choice may be made not on doctrinal grounds but on personal preferences regarding two candidates on the same ticket. For example, if the Home Secretary and the Secretary of State for Trade and Industry were on the same ticket—they might find it bad enough being in the same Cabinet—the charm and elector appeal of the latter might win through; or it could be the other way round.

At one stage, some of these arguments appeared to be influencing the emerging view—that is the politest way of putting it—of the Home Secretary, who said on Second Reading:

"I am prepared to listen to the arguments for adopting a Belgian-type system and to give them careful consideration . . . we are a party and a Government who listen to argument."—[*Official Report*, 25 November 1997; Vol. 301, c. 814.]

They may listen, but when they have done so they do what they intended to do in the first place.

Those who have followed the Government's contortions on this issue have come up with alternative explanations for why we are where we are today, none of which, frankly, does the Government much credit. In its parliamentary bulletin, Charter 88 said:

"The decision came as a surprise to those who followed the debate. All contact with Government gave the impression that adopting the open list was a formality. This included Labour MEPs who were collectively briefed two days before the announcement that the new system would indeed include open lists. The swiftness of the reversal and the lack of a convincing explanation of the decision has led many to believe that it was taken by Tony Blair rather than Jack Straw."

That is the nearest that the Home Secretary has got to a compliment on his handling of the issue.

The Home Secretary placed in the Library a description of the Belgian system, then pondered how he could gauge public opinion. Of course, he did what one would expect any fully paid-up member of new Labour to do: he set up some focus groups. He probably set up focus groups to determine whether he should make the concession in the first place.

It is usual, and not only among Conservative Members, to be offensive about focus groups, and I will not disappoint the House, but in one respect NOP showed a remarkable touch of good taste: it positioned three of its mini-groups in a constituency renowned for its good electoral sense over the past 25 years: Sutton Coldfield. It would be comforting to report that the member of the focus group who said, "There's nothing nicer than knowing your MP", came from my constituency but, sadly, he came from the other place where the discussions took place: the constituency of my right hon. Friend the Member for Epsom and Ewell (Sir A. Hamilton).

There was little doubt about the focus groups' immediate response to the closed list. The conclusion was:

"Parties appear to be depriving voters of their right to select individuals . . . party selection begs the question for some as to whether party loyalty will precede constituency loyalty."

I agree with those comments, but I contest the so-called considered response on the closed list, in which NOP says:

"Precisely because voters can feel the European Parliament to be remote and dislocated from their own lives and experience, they can be relieved to devolve responsibility to parties to select candidates for them."

I do not believe that that is a sensible summary of public opinion. People do not say, "All this looks very complex; we will leave it to the parties to decide." That is nonsense. It is not my experience; nor is it remotely in our democratic traditions. It is a patrician view that would put even Lord Jenkins in the shade.

Mr. Swayne: Is it not grotesque that, having been thrown out by the voters and lost his own seat in the German election, Chancellor Kohl appeared within minutes as a representative in the Parliament, as a consequence of the closed list? Does not the system give rise to the possibility that voters will be represented by candidates who are unpopular?

Sir Norman Fowler: To be fair, it is a different system, but the principle is the same, and on that my hon. Friend is entirely correct.

Mr. Straw: I want to put to the right hon. Gentleman a point that none of his colleagues picked up during my

speech: precisely what the hon. Member for New Forest, West (Mr. Swayne) fears will happen under the closed list system and claims to have happened under the German additional member system will happen under the open list system. Some of the least popular candidates with the fewest votes will get elected under the open list, in preference to candidates with more votes. Where is the democracy in that?

Sir Norman Fowler: I shall come to that point. That argument does not invalidate the whole argument about the open and closed lists. There is a broad principle that the Home Secretary, untypically, did not appear to address in the whole of his lengthy speech: the public have a right to be able to choose named candidates within a party. Even with the defect that he pointed out—I do not consider it fundamental—the alternative is far less damaging than anything that he has proposed. The open list system is essentially more democratic, because it gives the public greater choice. I am not persuaded that the rather laborious list of practical difficulties with the open system given by the Home Secretary invalidated that argument.

One point that I find somewhat puzzling—for once, it has nothing to do with the Home Secretary—was raised in our debate in Committee, on 12 March 1998, when the right hon. Member for Caithness, Sutherland and Easter Ross (Mr. Maclennan), speaking on behalf of the Liberal Democrats, said:

"The arguments in support of open lists are overwhelming".—[*Official Report*, 12 March 1998; Vol. 308, c. 771.]

When it came to the vote, however, the Liberal Democrats voted with the Government.

The same thing happened in the other place, when Lord McNally—who was once a Labour Member but now speaks for the Liberal Democrats—conceded that the Liberal Democrats had argued for an open list but had intended to vote for the closed list.

Once again, therefore, we hold our breath to learn the attitude of the Liberal Democrats, who have proved yet again that they are the party of the "don't knows" and the chronically undecided.

5 pm

Mr. Allan: If I catch your eye, Mr. Deputy Speaker, the right hon. Gentleman will not have to hold his breath for too long. For the moment, I should point out to the right hon. Gentleman that we strongly believe that this group of Lords amendments has been tabled with the intention of stopping the Bill's passage completely. Our voting behaviour has been predicated on that assumption.

Sir Norman Fowler: That is a pretty weak excuse. Either the hon. Gentleman is in favour of the open list system or he is not in favour of it. I should have thought that he and other Liberal Democrats Members might have the courage to vote in support of their beliefs. Nevertheless, I shall listen—or at least my hon. Friend the Member for Hertsmere (Mr. Clappison) will listen—to the hon. Gentleman's arguments when he is called to speak, as he undoubtedly will be.

As my hon. Friend the Member for Stone (Mr. Cash) said—it is a very important point—we are debating the issue of list systems only 48 hours before Lord Jenkins's commission reports on proportional representation for Westminster elections. That report will set off an enormous debate in the United Kingdom. After our debates on clause 3, it will be very interesting to discover whether an open list system is proposed for use with any top-up system that the Jenkins commission may propose. If one is proposed, it will well and truly torpedo the case made by the Government in today's debate.

Mr. Bermingham: The right hon. Gentleman may recall the first intervention that I made in this debate, during the speech of my right hon. Friend the Home Secretary, when I asked a question about d'Hondt. Does the right hon. Gentleman agree that—as the choice is simply between an open and a closed system; we have no other choice—opting for the open system would give rise to a nightmare of possibilities and complications with independent candidates?

Sir Norman Fowler: I agree with the hon. Gentleman that the decision is between open list and closed list systems. However, for all the reasons that I have given, I believe that the open system is the more democratic one.

On the general issue of proportional representation, my position and the Home Secretary's are probably much closer. He supports the first-past-the-post system, and, like me, he also supports the constituency base. It is therefore a mystery why the Government have started this process of electoral change. I tell the right hon. Gentleman quite seriously, however, that, in the coming months, the Opposition will relish the fight that he is beginning.

Mr. Cash *rose—*

Sir Brian Mawhinney (North-West Cambridgeshire): I am grateful to my right hon. Friend for his comments on the fight in which we will be engaged in the next few months. He said that the Government's case would be torpedoed if Lord Jenkins's report on Thursday proves to be in favour of some form of open list system—although my right hon. Friend and I agree that the Government's case has already been torpedoed.

I should not like Opposition Front Benchers to give credence to anything that Lord Jenkins says about PR on Thursday. The report will be a stitched-up deal between the Prime Minister—who believes in openness and transparency, except when it comes to what he does and wants—the Liberal Democrats and Lord Jenkins. My right hon. Friend has a hugely important role to play in the fight, in which we shall have to become engaged, for the first-past-the-post system.

Sir Norman Fowler: I am very grateful to my right hon. Friend, and I agree with every word he said. My point was that the Government will be self-destructing—which is perhaps a better description of what will happen than "torpedoed"—even if their own terms are met.

Mr. Cash: Does my right hon. Friend accept that the Conservative party is in principle against the idea of proportional representation? I entirely agree with him that it would be an enormous own goal for the Government if Lord Jenkins reported in favour of a form of open list. Does my right hon. Friend agree that, as the Conservative party is against proportional representation, it would be

[Mr. Cash]

far better for us to come clean on that and simply go for it by saying, "We are against the idea of open or closed lists"—and to leave it at that?

Mr. Deputy Speaker: Order. We are now straying outside the scope of Lords amendment No. 1, which—as the right hon. Member for Sutton Coldfield (Sir N. Fowler) stated a moment ago—deals with a closed or open list system for the European parliamentary elections. I hope that he will remember his own observation.

Sir Norman Fowler: You make it quite difficult for me not to remember it, Mr. Deputy Speaker. Nevertheless—if I may say it in a few words—I agree with my hon. Friend's comments.

I do not want a regional list system, but if we are to have one, I believe that an open list system will be intrinsically more democratic and a better choice than the one proposed by the Government. Such a system would give the electorate the opportunity to decide who will serve them and not leave that decision in the hands of political parties. It would also prevent any political party from exercising even more centralised power. Above all, I believe that it is what the public would prefer. I therefore believe that we should reject the Home Secretary's advice and agree with the Lords amendments.

Mr. Bermingham: I do not propose to detain the House for long. I spoke in the debate on Second Reading and said that I did not like the proposed system. I said that I thought that that system was bad because it divorced the elected from the electors, and I stand by that view. I make it very clear that, if Lord Jenkins suggests anything other than our current constituency system, he will have my undying opposition. I say that openly.

As I told the right hon. Member for Sutton Coldfield (Sir N. Fowler) a few moments ago, today's debate is about a choice between a closed list and an open one. I do not like closed lists, but nor am I very enamoured of open ones. However—if one is to be utterly realistic about the mess in which we will find ourselves next summer—unfortunately, we will have to go with the closed list system, for the following reasons.

The first reason is based on the participation of independent candidates. If we use an open list system in, for example, the north-west region, which will have nine or 11 candidates—

Mr. Robert N. Wareing (Liverpool, West Derby): There will be 10 candidates.

Mr. Bermingham: Yes. If we use an open list in the north-west, and candidate No. 6, for example, wins a vote, the other nine candidates—of whichever party, whether Conservative, Labour or Liberal Democrat—will receive no vote.

I stand to be corrected if I have misunderstood the Home Secretary's explanation of the system, but I seem to have got it right. I must admit that the first thought that came into my head when the Home Secretary said that "d'hondt" is Flemish for "dog" was the advertisement for toilet paper in which the puppy runs away with the expanding toilet roll. The Home Secretary's explanation seemed to be going the same way. Ultimately, the mess will certainly be the same.

If the explanations given to the House in this debate are right, the candidates from the major parties—I equate all three parties as the same in English constituencies—will find themselves at a disadvantage. It will only take someone in the north-west—Fitzsimons McGibben, for example—to decide to run as an independent. Under the open list system, that person will receive a vote that none of the major parties will receive. Which seat is that candidate going after? How many votes does he get? What is their value? That is the problem if we go with the open list system. Currently, with the closed list system, that problem does not arise, because his vote is of the same value as a Labour, Conservative or Liberal Democrat vote. He will take his place under the d'Hondt system in the totality of votes when it comes to the allocation of places.

Mr. Edward Leigh (Gainsborough): Does the hon. Gentleman agree with the Home Secretary—this sums up the argument—that the closed proportional representation system provides for a simple ballot paper and that the open list system provides for name recognition but too complicated a ballot paper, but that the beauty and virtue of the first-past-the-post system is that it provides for name recognition on a simple ballot paper?

Mr. Bermingham: The hon. Gentleman and I are totally ad idem. The closed system is simple. Whether we like it or not, in the north-west an open list system would mean 33 major candidates listed on the ballot paper and goodness knows how many independents. The elector would have to select, which would be very complicated. We know from studies that have been undertaken that, when faced with over complex voting papers, people get fed up and do not want to vote.

We also know that, when voters cannot identify with a candidate, they are reluctant to vote. The turnout in June will be absolutely fascinating. I suspect that it will be disastrous.

Mr. A. J. Beith (Berwick-upon-Tweed): It was disastrous last time.

Mr. Bermingham: I agree, but I suspect that this time it will be even more disastrous. No doubt the right hon. Gentleman would agree, in that event, that any form of proportional representation is more disastrous than non-proportional representation. No doubt he will reflect that intelligence in the way he votes in future.

I should like the Home Secretary to consider one point. Next June will certainly be experimental in terms of the voting system. Could we also consider experimenting with the voting day? The rest of Europe will vote on a Sunday; why do we not do likewise? It might be a useful opportunity to try two experiments at once. I have an open

mind as to whether Thursday or Sunday is best, but if we are to have an election with a low turnout, as I fear we are, we could at least try changing the day.

Mr. John D. Taylor (Strangford): Why does the hon. Gentleman say that the rest of Europe votes on a Sunday when some countries do not?

Mr. Bermingham: I entirely forgot about my homeland, and I apologise immediately. Not all countries vote on Sunday, but the majority of Europe does—with two notable and remarkable exceptions.

In all seriousness, I suggest to the Home Secretary that next June might be an opportunity to experiment with the voting day. What has worried me in the past 15 years has been the decline in local government election turnouts, which is becoming disastrous in some areas. In my area, it was pathetic this year. The general election turnout also began to slip away—

Mr. Deputy Speaker: Order. The hon. Gentleman probably anticipates what I am about to say. He has embroidered his argument a little too much and is dealing with matters that are outside the strict terms of the amendment.

Mr. Bermingham: Your tolerance in allowing me to go so far was much appreciated, Mr. Deputy Speaker. I hope that I have made my point, and I shall return to the fundamental issue.

My respectful view is that it is too late to turn back the clock. It is sad that I should have to say that, but that is the reality of life today.

Mr. Allan: The electorate can take heart from the fact that no single political party is entirely happy with the European election system. The fact that we all have a problem with it may mean that it is fairer than one that was welcomed with open arms by one of the three major parties and disapproved of by the others.

My party's position remains consistent. Our preferred option is neither a Belgian nor a Finnish model, but one closer to home—the Northern Irish model of the single transferable vote. That system is not on the agenda, and we now have to choose between the Finnish system, which has appeared at this very late stage in an amendment supported by the Conservative Members in another place, and the closed list system, which was agreed at an earlier stage of the Bill's proceedings.

The right hon. Member for Sutton Coldfield (Sir N. Fowler) challenged my party's record. I feel that we had a good record in seeking an open list system. We proposed the Belgian list system at earlier and appropriate stages of the Bill. Indeed, there was a vote on it in another place in June this year, which we lost by only 15. Remarkably, the Conservatives in another place did not support us at that time. They have failed to vote consistently throughout the passage of the Bill when the Home Secretary, to his credit, was considering opening the list system. We are now up against the end of the Session, and they have at this late stage sent the Bill, amended, back to this place.

My colleagues in another place were unable to support the amendment because, as many Conservatives confessed, the clear intention behind the amendment was to wreck the Bill and have no proportional system at all.

Mr. Cash: The hon. Gentleman has studied the transcript, so he must know perfectly well that what he has just said is simply not the case. Three Liberal Democrats supported the open list system. I may not agree with it, but the hon. Gentleman cannot get away with his assertion that all Liberal Democrats in the House of Lords took a different view.

5.15 pm

Mr. Allan: I should point out that five Liberal Democrats supported the amendment and 32 voted the other way. Our Members are lightly whipped—that is part of the tradition of our party, especially in another place where whipping is often less effective than in this place. We did not support anything that would wreck the Bill.

The important thing at this stage is to complete the process and pass the Bill. The choice is not between an open and a closed list, but between the first-past-the-post system and a fair vote system. We have worked consistently for a fair vote system. We had an agreement with the party that is now in government, which was declared and open before the election. There was no secrecy about the fact that we wanted to embark on a joint constitutional programme for reform, and that the reform of the European voting system was an essential part of that. That agreement spelled out a regional list system. We have stuck by our part of the bargain against our first choice because, in all constitutional reforms, it is important to achieve a glass that is half full, if that is all that is on the table, rather than one that is completely empty. Negotiations require some compromise.

At this stage, the priority is not to have the first-past-the-post system, which the Home Secretary, more eloquently than I have ever heard him before, today described as a closed list system of one. He made some telling points, especially about a conceit sometimes held by politicians that they are elected solely on a personal basis, whereas when one knocks on doors during the election, people say that they are voting for that Tony Blair, that Paddy Ashdown or that William Hague. The priority for many electors is to vote on a party basis. That is especially so at the European level, when many voters vote not for an individual, but for a party.

We want more openness in the selection for the list system. If we are to move towards elections on this basis, there is a need to debate the nature of our primary system, which is effectively what we are developing. Our party chose to conduct that debate on a one member, one vote basis. The Conservatives, to their credit, did likewise. We shall not go into the debates that are taking place within the Labour party, but there is clearly some concern that there is no common basis on which people are selected for important positions. We hope that we shall return to that issue when we consider electoral systems in future.

We should like to think that, after the coming European election, we can reconsider the closed versus the open list, but the pressure of time means that we have to decide whether we go forward with a deal that offers a fair vote system for next year, so that we can avoid what happened in 1994, when the Labour party ended up with something like three quarters of the seats on less than half the vote. That is not only bad for democracy in this country, but destabilises the entire European parliamentary process. People are unhappy about returning inappropriate numbers of Members who will form into larger groups, all of which are elected under different systems.

[Mr. Allan]

We want to reconsider the Northern Irish system, which we believe to be excellent, and open and closed lists, but we do not intend to support a wrecking amendment on behalf of a party that wants to retain first past the post. If that party continues in its present vain, it will do much to depress the vote at the next European elections, as its members continually talk down the system that we have chosen, saying how poor it is and how difficult it will be to operate. A system under which three or four party names and independent candidates are listed will be perfectly simple to operate. Electors will be able to use it if only we can get them to the polling stations. We should concentrate on getting people to vote rather than on the detail of the ballot papers and other such matters with which people are not overly concerned.

We do not agree with the amendment. We shall stick with the Bill and aim for its implementation at the earliest opportunity. As we have done throughout the proceedings on the Bill, we shall consistently argue our case without seeking to obstruct the Bill's implementation.

Mr. Cash: I agree, for all the reasons given by my right hon. Friend the Member for Sutton Coldfield (Sir N. Fowler), that we should oppose the closed list system of proportional representation in the Bill. I was delighted that, at the end of his speech, he revealed that he agreed with my case, which I shall now develop, that we should oppose proportional representation in principle.

We object to the closed list system because, by having massive electorates of 6 million, it destroys the link between the Member of the European Parliament and the voter, and it is the progenitor of European regions, which are all part and parcel of the creation of a federal Europe, divided into provinces. The Jenkins commission, which will report on Thursday, has been left in no doubt during its sittings about the hostility of the British people to proportional representation because of the extent to which it increases party control.

Mr. Deputy Speaker: Order. Perhaps I can help the hon. Gentleman to focus on the content of the debate. He has declared his opinion on a particular matter, but that cannot be debated within the context of the amendment.

Mr. Cash: Far be it from me, Mr. Deputy Speaker, as a long-standing colleague of yours on the Select Committee on European Legislation and many other bodies, to doubt your judgment on these matters. However, the amendment proposes an open list system, whereas the Bill proposes a closed list system. It is therefore imperative that we have a proper discussion about their relative merits and, as the hon. Member for Sheffield, Hallam (Mr. Allan) pointed out, the principle of proportional representation.

Mr. Deputy Speaker: Order. I cannot accept the hon. Gentleman's interpretation. If he wishes to remain in order, he will confine himself to a discussion of open and closed list systems. He cannot use the debate to open up a discussion on the principle of proportional representation.

Mr. Cash: I am simply making a point about the Lords amendment. I say to my right hon. Friend the Member for Sutton Coldfield, that as the amendment is unnecessary, Conservative Members must ask ourselves whether we would be prepared to take our argument to its logical conclusion.

We shall not win the vote on the amendment today, but the Bill will return to the other place and there will be to-ing and fro-ing between the two Houses. The key question will be whether we are prepared to invoke the Parliament Act 1911 on a question of principle for an unnecessary amendment. I very much doubt that that will happen. I am therefore distinctly cynical about the reasons why we have decided that we shall support the Lords in this venture. The amendment is a Trojan horse, and in supporting an open list system, the Lords and the Conservative party are hiding inside that horse only two days before it will be opened by Lord Jenkins.

As the Leader of the Opposition, my right hon. Friend the Member for Richmond, Yorks (Mr. Hague), said in an excellent speech on 24 February 1998:

"Of all the dangerous and destructive constitutional reforms currently on the table, perhaps the most dangerous and the most destructive is proportional representation."

He went on:

"It is a profoundly undemocratic measure masquerading under the banner of democracy and the Conservative party I lead will have no truck with it."

He continued:

"We most resolutely reject proportional representation itself."

Mr. Deputy Speaker: Order. I hope that the hon. Gentleman has not been trapped by his notes into ignoring my ruling. I do not want to hear argument on the principle of proportional representation.

Mr. Cash: I do not need to argue on the principle, Mr. Deputy Speaker, because the open list system is proportional and based on a list, and the fact that voters might change the order of names on the list does not alter that one jot.

On 26 February, only two days after the speech by my right hon. Friend the Member for Richmond, Yorks, we were given a three-line Whip on an amendment similar, if not identical, to the one that we are now considering, which was in favour of a variant of proportional representation. The open list system of proportional representation, which guarantees proportionality in relation to the parties because they receive the total vote cast for the candidates, gives only a minor say to the electorate, who might want to vote for someone who is not on the party list, so there is no great merit in us supporting the open list system. I abstained on that occasion, as I shall tonight. I wrote to my right hon. Friend the Leader of the Opposition and discussed the matter with him.

As I said at the time, all we needed to do in February was vote against Labour's closed list system and press for the current method—first past the post—which is simple and well understood, and was agreed to by a Labour Government in 1977. Article 190 of the Amsterdam treaty, in the arrangements for the treaty on European Union, allows for a system which is

"in accordance with principles common to all Member States"—

a democratic system, such as first past the post.

On 26 February, the Government got their vote. There has been much opposition in the other place to student grants and transport measures, and defeats for the Government on fundamental issues. We might therefore reasonably have expected that on a form of proportional representation that, to quote my right hon. Friend the Member for Richmond, Yorks again, is

"perhaps the most dangerous and the most destructive",

we should have encouraged the Lords to amend the Bill to first past the post and have a battle on that important issue. That was emphatically not a manifesto question.

The Lords, by 445 to 176 votes, refused to amend the Maastricht treaty, and refused to allow a national referendum. They returned the Amsterdam treaty this year with a mouse of an amendment that was probably ultra vires. They now propose a system of proportional representation to which I take great exception because an open system is of no value to us whatsoever. What other explanation can there be? Why are we faced with the amendment?

I am reminded of Disraeli's great novel, "Coningsby", in which, after the Tamworth manifesto, he so clearly set out his position on the state of the Conservative party. He said:

"There was indeed considerable shouting about what they called Conservative principles; but the awkward question naturally arose, what will you conserve?"

Before the Jenkins report is published, I ask the House and my party, do we regard PR, which includes the open and closed list systems, as dangerous and destructive or do we not? Do we regard PR as profoundly undemocratic or do we not? Will we have truck with it or will we not?

I read the speech of our spokesman in the House of Lords, as I heard my right hon. Friend today. Lord Mackay of Ardbrecknish said:

"The amendment does not damage the Bill. My view is that it improves the Bill because it improves the PR method being used."

He went on:

"But we are not arguing for or against PR; we are arguing inside the PR system."—[*Official Report, House of Lords*, 20 October 1998; Vol. 593, c. 1332.]

That is a Trojan horse indeed. We are arguing inside the PR system. You will be glad to hear, Mr. Deputy Speaker, that this is not just a question of principle; it is also a matter of practicality.

It is unnecessary for us to adopt the open list system. We could have opposed it, demanded first past the post and insisted on it in the House of Lords. If we were going to lose the vote eventually, going against our principles would make no difference. Why do we have this hostage to fortune? There is no party advantage for us in an open list system.

Mr. Deputy Speaker: Order. I have been very tolerant of the hon. Gentleman, but he is developing a point that should have been developed—indeed, probably was developed—on Second Reading. We are debating a Lords amendment that deals with two forms of proportional representation. I remind him for the final time to confine his remarks to that argument.

5.30 pm

Mr. Cash: What I was just saying is directly relevant to the open list system. There is no electoral party advantage for us in an open list system. That what I said when you intervened, Mr. Deputy Speaker. There is no evidence that we would gain any more seats by adopting it. That is relevant to the consequences of adopting an open list system. Given the poor turnout in our selection process, which, as I understand it, was only 1 per cent. in the west midlands, and the number of candidates with a proven track record in favour of monetary union and federalism, I cannot say that the open or closed list system has done us any favours.

The Liberals would be the main beneficiaries of the open list system, as they would be of a closed list system, for the reasons just given by the hon. Member for Hallam. He knows that this is part of a process that gives the Liberals an advantage because they want a fair votes system. Another objection on the grounds of practicality is that the Labour party is deeply divided and unhappy about proportional representation, closed or open. Why take the pressure off Labour? As one Member of the European Parliament has said:

"It is much easier to represent a percentage than a constituency. You don't get any letters from a per cent."

Apart from the issue of principle, there are deep flaws in the open list system. The ballot paper is horribly complicated and has a wide range of boxes and permutations. In the South-east, there would be at least 40 candidates' names and tick boxes, not to mention an accumulation of minor parties. The voters would be faced with confusing alternatives: to vote for a party or to vote for particular candidates. That would make it difficult for first time voters and for the elderly. A recent study by the Democratic Audit Report showed, as did George Jones's article in *The Daily Telegraph*, that British voters do not like complicated ballot papers. They do not care whether the system is open or closed; they do not like it. Already, only 36 per cent. vote in European elections in this country. The complications inherent in an open or closed system will simply drive voters away.

The example of proportional representation in other countries is not good, as New Zealand or the dreadful experience of the Weimar republic in the 1930s show. Such systems lead to the manipulation of the party system by the tyranny of the party list. Politicians elected in that way represent no one. The list system sucks the democratic system dry, and drains away real argument and debate. That is the case against the open list system as much as against the closed list system. The Conservatives should have nothing to do with it, whatever the House of Lords may propose. After all, we are the elected Chamber. For real Conservatives, accepting such arrangements for the House of Commons or for the European Parliament would undermine the democratic process.

I conclude with the famous words of John Dewey in his book "Freedom and Culture":

"The serious threat to our democracy is not the existence of foreign totalitarian states. It is the existence within our own personal attitudes and within our own institutions of conditions which have given a victory to external authority, discipline, uniformity and dependence upon the leader in foreign countries. The battlefield is accordingly here"—

I would say, in this House—

"within ourselves and our institutions."

I agree. I shall abstain on the amendment for those reasons and I urge as many of my colleagues as possible to do so as well.

Mr. David Curry (Skipton and Ripon): I should like to go back to one of the Home Secretary's first remarks.

[Mr. David Curry]

It is easy for the debate to become a cabaret—a sort of "Fawlty Towers"—in Westminster, but it merits serious attention. We may occasionally think that foreigners sometimes listen to the debate and draw conclusions from it. The Home Secretary said that we needed an electoral system that was appropriate to the institution. The Government seem to think that the appropriate electoral system for the European Parliament is one that maximises anonymity. That is not a good judgment.

People may or may not like the European Parliament. I have served in it, and my feeling is that despite all its efforts to fail, it is condemned to succeed. It is acquiring an increasing number of functions that affect people's ordinary lives. In a mature democracy, people need to be able to understand and develop a relationship with the institutions that govern them. That is true of institutions here and overseas. The forging of that identity should be one of the criteria leading to a judgment of what is a sensible electoral system. The Government's proposals will not achieve such a system.

Any list system is defective. The Home Secretary was right when he almost challenged the legitimacy of all of us, on the ground that somebody at some stage nominates us to go before the electorate. If we apply such an absolutist rule, none of us is popularly elected in the abstract sense. However, it is more important to try to establish an identity for the European Parliament that will work. It has had problems with its identity because it does not develop or support a Government, so the choice of the people is not easily reflected in policy differentials.

Where people stand on a list is a secondary issue. Who chooses the list is crucial, because those people set the framework within which the democratic rules will play. If I have understood the Home Secretary's words, the objection to the open list is based on the requirement to total all the votes cast for all the candidates of one party and use that as the basis for a division. It is possible that a candidate for party A who may have ridden on the coat tails of a popular candidate would be elected with fewer votes than a candidate for party B who had been less successful in riding on coat tails. We have to take that risk, because it will mitigate the power of the apparatchiks to make the choice. That is what people are most allergic to.

Mr. David Drew (Stroud): I accept the right hon. Gentleman's arguments, but they would have been more convincing if they had been brought forward on Second Reading. I do not remember any Conservatives arguing for the open list system on Second Reading.

Mr. Curry: I refer the hon. Gentleman to my remarks on Second Reading. He will remember that, at that stage, the Home Secretary was still in an open frame of mind about what electoral system he would finally choose. We tried to urge him to opt for some variant of the open system.

It is dangerous to say that people need crutches when they vote—that we must not make the process too complicated because they will not understand it. We must trust people to be able to make their own choices and, if they have a determination to vote, to be able to understand the ballot paper. After all, some of the questions that have accumulated on the ballot paper in the United States could not be much more complicated and, as has been said, nine member states of the European Union operate some form of open system. Despite the sympathy for foreigners with which I am sometimes reproached in my party, I believe that, on the whole, the British are just as capable of fathoming a ballot paper, making a choice and demonstrating as great a determination to vote as anybody else when they think that something important is at stake.

Something important is at stake. The importance of an open system is that it mitigates the apparatchik role, which all parties have, in a sense, experienced. The Liberal Democrats conducted a postal vote—democratically. All members of the Conservative party, as long as they had been members for some time, were able to take part in a vote. Although taking part in all-day sessions to choose European candidates is a fairly grisly incentive to join the party, no doubt some people joined for that purpose none the less. The Labour party conducted a very closed committee system, which no doubt produces a finely tuned, perfectly balanced result by gender, race and everything else—except, I suspect, affinity for the Prime Minister. I doubt that a great deal of diversity of choice has been permitted in that list. All that means that the electorate's choice is being narrowly framed.

Mr. Allan: On complexity of ballot papers, which I have heard some people raise in opposition to any of the systems that we are discussing, it is worth bearing in mind that the Northern Irish electorate has, for many years, happily used several different systems and, under the single transferable vote system, very complex ballot papers.

Mr. Curry: I agree with the hon. Gentleman; it is dangerous to say that people cannot understand. That is but one stage away from wondering why we should bother giving them a choice at all in case it is misused.

People should be given a choice; they should be given a chance to overturn the apparatchiks' work. Let us take the Conservative party. As members, we voted through a series of regional assemblies, which has produced a list of candidates placed in order. Some of those candidates give me not the slightest inconvenience, and I shall vote cheerfully for them. Indeed, in Yorkshire and Humber, where I shall be voting, I am delighted with the candidates on our list.

My right hon. Friend the Member for Sutton Coldfield (Sir N. Fowler) will, however, understand if I say that my enthusiasm for one or two of them is slightly muted. As someone who lives in the regions, I would want to be able to make my own choice. I would say, "Why can't I decide which Conservatives I want on the list?" That applies equally to a Labour man or a Liberal Democrat. There are different, but all perfectly legitimate, strands of the parties; I do not question the legitimacy of any of them. Why should not I be able to choose which candidate I want to fly my flag in the elections?

It comes down to a system in which, despite the Home Secretary's reflections on the way in which we in this House are selected, there is an election at the absolute margin. One is faced with a list and votes for a party. Candidates at the head of the list know that they will be Members of the European Parliament. Unless there is some electoral earthquake, we know pretty well who will

be in and who will be out. A handful of places in the middle of the list are worth disputing. The situation is worse if there is a national list, such as in France, where only two or three candidates need stay in the country to fight the election because it is not worth the others' time to do so. We are inviting the electorate to endorse a candidate, not to make a choice. Even the open list is a form of endorsement, because the number of candidates and their names are chosen elsewhere—although at least it allows backroom wisdom to be overthrown, which is essential.

The risk of having identikit candidates chosen by apparatchiks will do nothing to help the European Parliament. As I have said before, the European Parliament, whether we like it or not—I quite do, as a matter of fact—fulfils a democratic role that is unlikely to be fulfilled by national parliaments. The need is for national parliaments and the European Parliament to work together more effectively so that real accountability may be achieved. You are glaring at me, Mr. Deputy Speaker, with a somewhat baleful expression. I fear that I may have strayed rather wide of the mark.

The key is ensuring that the electoral system for the European Parliament tries to reinforce the legitimacy of a parliament that is enshrined in a treaty, which plays an increasing role in people's lives, which is subject to increasing lobbying, which is increasingly part of a balance of institutions, and which is likely to increase in its authority—in co-operation, I hope, with national parliaments. If we choose a system that makes the European Parliament an anonymous institution and people cast an anonymous vote, we shall not be helping the processes of democracy. If we seek at least to give people an element of choice, enabling them to pick a name, we shall be adding to accountability in the European Union, where the burning question is the effectiveness of such accountability. If we do that, we shall have achieved just a little revolt, which will serve the principles of democracy.

5.45 pm

Mr. Robert Syms (Poole): It is a great pity that, towards the end of debates on this Bill, we are debating closed and open lists. When one constructs an electoral system, that is the first point that one needs to decide. Everything determined afterwards is interlinked. The size of regions and what sort of link one wants between constituents and areas are pretty critical.

Our biggest problem today is that we have heard from the Home Secretary, whose arguments I found persuasive, that the Bill is so bad that it is unamendable—the regions are so large. It is true that, if we had an open list, 20, 30, or 40 members could be on it. It is also true that it is unlikely that, unless the candidate happens to be an actor from "EastEnders", he will be known in any household. That is a great indictment of the Government. We are trying to discuss how best electors can influence their representatives yet, at the end of a long Session, we have a Bill that is almost unamendable, and we cannot give electors a real choice in whom they want to represent them.

The Government's principal argument is that the proposed electoral system will work only if the decision on who will be No. 1, No. 2, No. 3, No. 4 or No. 5 on the list is taken by political parties. They say that to try to work an open list system would cause a great deal of difficulty. The system's construction is such that, in effect, it will work only if a centralised party structure determines the choices and then puts them before the electorate. That is the biggest difficulty with this legislation.

How one wants electors to influence choice should be the first point of debate, not the last. This debate relates to every other clause of the Bill. I shall vote with my right hon. and hon. Friends on the Front Bench—although I have some sympathy with the comments of my hon. Friend the Member for Stone (Mr. Cash)—simply because this is such a bad Bill that I feel like voting at every opportunity against the Government. The Bill is not unamendable. As the Home Secretary pointed out, parties have already chosen their candidates. We are coming to the end of the Session, and implementing change at this stage would cause chaos and difficulty.

Any list system has many disadvantages. Indeed, because the way in which the list is constructed, we could just as easily have a national list and be voting for 87 people. I got the impression that, as we worked through the Bill, the Government decided that they would proceed on a regional basis. If we want to influence voters' choice, we must have geographical areas or subdivisions of the country in which people are able to make informed choices.

The difficulty is that the Bill has been so badly constructed—even from day one—that only a party-controlled list system, such as France's, will work with it. I shall join my colleagues in the Lobby because I believe that I ought to register my protest that the Bill will not make a good Act. As an opponent of proportional representation, I think that its only saving grace is that, when people find that they have a choice of voting only Labour, Liberal Democrat, Conservative or independent, it will do the cause of those who support PR no good. I take some comfort from that.

Miss McIntosh: The treaty of Maastricht allows for a uniform electoral system to be set up throughout the European Union. I record my regret that the House has not taken advantage of the opportunity to introduce first past the post as just such a system, under the treaty, because there is great merit in that system and it would have won much support throughout the European Union.

Mr. Beith: Is the hon. Lady seriously suggesting that the member countries of the European Union that have used proportional systems for decades—in some cases almost 100 years—would be prepared to adopt first past the post for European elections?

Miss McIntosh: I am persuaded by the Government's arguments that they are going not by a majority of member states who use an open list, but by the majority of populations in those member states; and I am reliably informed that 49 per cent. of people eligible to vote in the world use first past the post. If one has the best electoral system in the world, it is ripe for export. I am sure that, given time, we would have obtained the support of the majority of those—

Mr. Deputy Speaker: Order. I hope that the hon. Lady has finished with that point. She heard my previous rulings.

Miss McIntosh: Thank you for your help, Mr. Deputy Speaker.

[Miss McIntosh]

There are no compelling arguments to reject an open list system—quite the contrary. Given that we have lost the argument on first past the post for elections to the European Parliament, the arguments in favour of an open list are very compelling indeed.

At the time we previously visited the Bill, the Government made a firm commitment to conduct an apolitical campaign throughout the country on the merits of the system that they are proposing. I have not seen much evidence of information about that system; that worries me. I wonder whether the Government are praying in aid the idea that they may have an open mind on changing the system to an open list. The Home Secretary felt that there would be no support among the political parties for moving at this stage to an open list. I should like to think that Conservative Members continue to keep an open mind on these matters, and that we might keep the candidates that have been adopted on our list, and simply move from a closed to an open list system.

The Home Secretary did not manage to persuade me of the reasons why he and other Labour Members do not want an open list. Usually, there are more abstentions in a European Parliament election than in any other election. In the most recent European elections, we reached the giddy heights of a 38 per cent. turnout. I am not sure of the figures for spoilt ballot papers.

I should not like to disparage the electors by suggesting that they cannot cope with the number of disparate ballot papers, but I wonder what the Home Secretary will do to dispel confusion about the many different electoral systems that will be used in the United Kingdom in the coming months.

In May 1999, in England and Wales, local elections will be held under the first-past-the-post system. In Scotland and Wales, there will be the first elections to the Parliament for Scotland and a Welsh Assembly, under a different system, using proportional representation. In June, in mainland Great Britain, in the European Parliament elections, we shall vote under the system that we are debating this afternoon. However, in Northern Ireland there will be a different system for elections to the European Parliament. I gather that yet another system of proportional representation is being considered for elections to regional assemblies—the next stage of constitutional developments.

I think that I should be hard put—I put it no higher—to cope with five different proportional representation systems. It worries me that, at this late stage, we have not seen any evidence of the Government's informing the voting public as to how we are to proceed. We ran what might be called—

Mr. Deputy Speaker: Order. The hon. Lady is again straying on to a much wider point. We are discussing whether, in the European parliamentary elections, there should be an open or a closed list system. I ask her to confine her remarks to that point.

Miss McIntosh: On that point, I have yet to find a member of the voting public who is familiar enough with the ballot paper on which they will be asked to vote, under an open or a closed list system. We must persuade members of the voting public to go out and vote, by persuading them that, under an open list system, they will have some choice in the matter. In local government elections and European Parliament elections, our biggest hurdle is getting the vote out. I do not believe that Labour Members would argue with that. Usually, turnout is 70 per cent. at general elections and as low as 35 per cent. to 38 per cent. in local government and European Parliament elections.

I am persuaded that an open list is the answer because this will be the first time, in my experience, that an elector will be unable to vote for an individual candidate, but must vote for a slate of candidates. I have taken up the matter with returning officers in at least three parts of the country who will be called on to police the new system for the first time. There is great concern that there will be confusion among the electorate, especially among first-time voters who will vote one way in May and another in June, but also among older voters who tend to prefer the use of a single system in all elections.

There is very great anxiety—on which I should like some satisfaction from the Government this afternoon—that there will be not only a lower turnout but in all probability a record number of spoilt ballot papers, because the voters will not understand that they must vote for a slate of candidates. The Bill says that, if any other mark is entered on the list of main party candidates—Conservative, Labour or Liberal Democrat—that paper must be treated as a spoilt ballot paper. Another possibility is that there will be a great surge of voting for independent candidates—for a television personality, for example—because, by doing so, voters can vote for a single name on the ballot paper.

There are extremely compelling arguments in favour of an open list system. It is not too late to change from a closed list to an open list. An open list will enable the electorate to vote for an actual candidate and, following the election, it will maintain a democratic link between the elector and the elected Member of the European Parliament. I therefore commend the open list system to the House; I hope that we obtain a majority in its support.

Mr. David Ruffley (Bury St. Edmunds): I wish to support my right hon. Friend the Member for Sutton Coldfield (Sir N. Fowler), but I have much sympathy with the comments of hon. Friends who have said that this is a rotten Bill—a Bill which introduces proportional representation, which is wholly undesirable. However, I shall not try your patience, Mr. Deputy Speaker.

The question of closed list versus open list goes to the heart of an important constitutional principle, which my hon. Friend the Member for Vale of York (Miss McIntosh) touched on twice—the principle that the individual elector should have the right to choose an individual Member of Parliament or Member of the European Parliament. For the first time in modern democracy in this country, the voter will be denied that right.

This is not just an arcane debate. The power that will be concentrated in party headquarters, not merely in the case of the Labour party but in the case of the Liberal Democrats and the Conservative party, is profoundly unhealthy. After a term of Parliament, there may be electors who are not happy about the MEP, whether he is a Labour, Liberal Democrat or Conservative MEP, who

is top of the list. Under the proposed arrangements, if a sitting MEP wants to be readopted by his party, he is more likely to be reselected if he has toed the party line. That will inevitably lead to slavishness on the part of those at the top of the list under a closed list system.

6 pm

Those concerns are not expressed on a party political basis. Lord Shore of Stepney observed in another place that such a system would lead to cronyism. Lord Bruce of Donington argued in incendiary terms that it would not be dissimilar to communism and central party committee control.

The democratic right of an individual elector in Britain to remove an elected Member of Parliament who has not done the job or who may have put party before constituency will be denied by the closed party list. I know that the Minister and the Home Secretary take seriously such matters of principle. I should like to hear the Minister's response not to arcane arguments about closed and open lists, but to that issue of democratic principle.

I take issue with a point raised by the Home Secretary. He slipped into the convenient jargon describing first past the post as equivalent to a closed list of one. That is not entirely correct. Under a first-past-the-post system, when a Member of Parliament is not to the liking of a voter for whatever reason—possibly because of his views on abortion or on euthanasia—the voter can choose not to vote for that Member of Parliament. If, for similar reasons, a voter does not like an MEP at the top of a closed list and does not vote for him, he will also deny his vote to the second, third and fourth person on that list. There is therefore no equivalence between a closed list of one, allegedly, under the first-past-the-post system, and a closed list under the arrangements proposed in the Bill.

Mr. Beith: There is a straightforward equivalence. In both cases, if a voter withholds his or her vote from the candidate or the list because of some disagreement with a candidate, he denies that vote to the party. Under both systems, a voter cannot express an individual choice without, in effect, giving aid and comfort to another party. That is a dilemma that voters face under our present system.

Mr. Ruffley: The vote will be denied to more than one candidate under the system proposed to us in the Bill. The right hon. Gentleman and I are both right.

The Home Secretary adduced some deeply unconvincing arguments in support of the closed list system, echoing some of the unpersuasive arguments presented by the Minister in another place, Lord Williams of Mostyn. Some of the arguments in favour of the closed list were incredible. The noble Lord said that we were not living in an Athenian democracy. The implication was that it did not matter who the individual candidate was, because in any case people vote for a party.

At the margin, that is certainly not true. An MEP may have been voted in and have performed abysmally, or proved to be a scoundrel, but there is no possibility of removing a named individual. I raised that matter earlier, and I should like to hear the Minister's response.

One of the other arguments enlisted in another place and hinted at by the Home Secretary today was that the ballot paper would become too long and difficult to understand. However, if the amendment were accepted, the open list proposals would involve minimal changes to the ballot paper.

It is ludicrous of a Minister in another place to suggest that, if an open list system were adopted, it would take too long for a voter to make up his or her mind: voters would be in the polling booth for too long. I find those lines of argument from Ministers in support of the closed list system deeply unsatisfactory. I am shocked and amazed that the democratic process, which is subtle and sometimes complex, should be criticised on the basis that voters might spend too long in the polling booth.

I take issue with the interpretation that the Home Secretary placed on some of the focus group evidence that is in the public domain. I am not one of those Conservative Members who attack "focus group fascism". There may well be a role for focus groups for political parties. The formulation of policy may be assisted or modified by the use of such groups.

The evidence from NOP, and the ICM evidence which, I believe, the Democratic Audit has used and on which Charter 88 has done some work, suggests that voters resent the fact that their right to choose individual candidates would be taken away by a closed list system. In a Democratic Audit poll, 40 per cent. of voters resented the fact that they would not have an individual choice of candidate. The Home Secretary glossed over such evidence, but I hope that the Minister will respond. The evidence points towards more support for an open list system.

This is a rotten Bill. The arguments deployed by Ministers have been unconvincing and unpersuasive. By accepting the amendment, the damage might be limited. The entire Bill goes against the grain of constitutional principle, and grievously diminishes democracy in this country. In that spirit of constructive opposition, I hope that the Minister will answer the questions I have posed.

Mr. David Winnick (Walsall, North): First, Mr. Deputy Speaker, I apologise. I had other duties in the House; otherwise I should have been present for most of the debate.

I find it a little strange to hear Conservative Members lecturing us about democracy, considering the lack of democracy until recently in their party.

I am not in favour of the closed list system. I did not vote for it on Second Reading, and I do not intend to vote for it tonight. However, it can be said to the credit of my party in government that I do not remember the last time any Government introduced an electoral system that could substantially reduce the number of their own elected representatives. Given the present number of Labour MEPs, one can speculate that there would be fewer as a result of a change in the electoral system. I hope that that will not happen, but no Conservative Member could challenge that possibility. My right hon. Friend the Home Secretary was right to say that the Government were being generous.

Mr. Desmond Swayne (New Forest, West): Does the hon. Gentleman accept that, whether we have an open list or a closed list, that will not alter the number of Members elected by each party—it will merely determine who they are as individuals?

Mr. Winnick: Yes. However, I am talking about the basic change in the system that will be applied next year instead of the present first-past-the-post system.

[Mr. Winnick]

It could be argued that the system that operates in my party and in the other two main political parties will provide greater opportunities for candidates in terms of gender and race. When drawing up panels, attention is given to ethnic minority candidates and to women, who are not fully represented by any means under the present system. However, I have certain reservations about the system under debate, and I find it difficult to support.

It is vital that everything be above board when drawing up a panel. There should be no question of people's internal party political opinions being taken into account or of someone being considered to be something of a rebel. Nevertheless, the suspicion will remain that those who cannot be relied upon 100 per cent. to support the party line will be excluded. That is why I believe that there is a lot to be said for the open system. If we are to use proportional representation for European elections, it would be better to choose the open rather than the closed system.

I hope that this problem will not arise. I am talking not about the two Labour MEPs who were rightly expelled from the party but about MEPs who have been totally loyal to their party throughout their political lives and intend to remain so, but who do not necessarily agree with every dot and comma of party policy. They may dissent from time to time and may be described in the press as members of the awkward squad. I believe that we should not exclude such people in a democracy. If people perform a proper service, the fact that they might rebel occasionally should not be a cause for exclusion.

I am not saying that that has occurred. However, the system that we are considering today involves the operation of a panel of, I hope, fair-minded people who must decide which candidates will be ranked No. 1, 2, 3 and 4. It will take a lot to persuade me that someone who falls into the category that I have described will be ranked among the first three or four candidates. For those reasons, I have reservations about the measure. I did not vote for it previously, and I shall not do so tonight.

There will be no change in policy for next year's European elections. However, I hope that my right hon. and hon. Friends who decide these matters and make their recommendations to the House will consider this issue carefully. It is right and proper that the Conservative view should be taken into account, but I am sure that Conservative Members will not misunderstand me when I say that I hope that, when it comes to deciding this matter for future European elections, my right hon. and hon. Friends will take my party's reservations seriously as well. I hope that I speak as a totally loyal member of my party, although I disagree with it on certain occasions—such as tonight. I must confess that I have wondered where I would be ranked if I were to stand for pre-selection as a Member of the European Parliament.

I believe that this has been a good debate, although I have missed a great deal of it. *[Interruption.]* The Assistant Whip, my hon. Friend the Member for Weaver Vale (Mr. Hall), appears to disagree. What I have heard of the debate has been very useful—I hope that I have qualified my remarks to his satisfaction. I heard a great deal of the Home Secretary's speech, and I have been in the Chamber for the past 10 or 15 minutes.

It is undoubtedly true that the debate has raised matters that are very important to the democratic process. It is right and proper that we should debate those issues and, although I am a critic of the Lords, I believe that, on this occasion, they were right to reconsider the measure and return it to this place.

6.15 pm

Mr. Swayne: The principal difficulty faced by the European Parliament is its perceived lack of democratic legitimacy, in that the people do not consider it their Parliament. We make that problem considerably worse when we rob that Parliament of what little legitimacy it has by introducing a system that ensures that candidates may be elected despite the fact that they have not received the specific votes of any electors. The amendment has certain weaknesses, but at least it addresses that difficulty.

The Secretary of State painted a scenario that I found persuasive in many respects. He said that, under the amendment, certain candidates could be elected having secured fewer votes than other candidates who were not elected. However, I suspect that the Government's principal difficulty is precisely that which I raised in earlier intervention—the overall numbers for each party will not change as a consequence of the amendment. It will merely change the candidates who would be elected rather than the number of candidates elected from either side. In that respect, the amendment addresses one of the elements of the current system that many people have found so distasteful.

We are effectively talking about a dialogue within the parties. Labour Members have complained that the selection system is not transparent. I also have some reservations about the system of candidate selection on my side. I had great difficulty persuading 3,500 members of my party to travel from the New Forest to docklands to spend a sunny day selecting candidates. I acknowledge that I failed in that task, as I managed to fill only one coach. However, at least we made the effort—although the same cannot be said for the Labour party.

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. The terms of the amendments are very tight, and the hon. Member for New Forest, West (Mr. Swayne) is straying from them.

Mr. Swayne: The point that I am attempting to make is that the amendment offers the prospect of a primary election to members or supporters of a political party. That is vital. I disagree with my hon. Friend the Member for Poole (Mr. Syms), who said that the amendment has come too late because the parties have made their selections and stitched it up.

Mr. Bermingham: Earlier in the debate, I said that the problem with the Lords amendment is that it is an either/or amendment. If we were to opt for the open system, as the Lords suggest, we would disadvantage the major party candidates and the independent candidates. In the case of a vote for the party candidate named, the party still records a vote. However, a vote for the independent candidate is a vote only for that candidate, and no vote is recorded for a party. Therefore, the position of the independent candidate would upset the fairness that exists between all members of the same party within the list system.

Mr. Swayne: I accept the hon. Gentleman's point, and it is a persuasive one. However, our experience in this

country is that there are often not many independent candidates in these contests. That does not alter the principle of the matter but, given the number of options available to us, the open list is perhaps the best, and certainly the best available this evening.

As I was saying, my hon. Friend the Member for Poole said that it was too late to open up this issue. The advantage of the amendment is that it draws attention to what people clearly perceive as a stitch-up by political parties. That is important. Although some may find this hard to believe, there is great diversity of view within political parties, and that should be aired in the election.

It may be extraordinary, but there are members of the Liberal Democrat party who are not content with the pace of European integration and voted against the Maastricht treaty. That is not reflected in the party line of the Liberal Democrat party. There is a broad spectrum of view within the Conservative party and the Labour party. It is appropriate that that spectrum should be represented to the voters by names on the ballot paper so that they can select the candidate who represents their views most appropriately.

It is all very well for the Home Secretary to say, "Ah, but the people don't know. They have no idea who the candidate is, let alone what he stands for." I accept that that may be true, but there are ways of remedying that, and that is the purpose, to a large extent, of political parties. Their purpose is to register their voters and turn out their supporters. That has historically been the position. However, the effect of the substantive Bill rather than that of the amendment is that that will never happen. That is defeatism. It is turning away from the justified and proper effort to educate our people about the great issues of the day. It is for that reason, among others, that I support the amendment.

Mr. Andrew Lansley (South Cambridgeshire): I shall speak briefly. Earlier in the debate I had not intended to speak; however, having listened to it, it seemed to me that there were one or two points additional to those made in the debate in another place on this subject.

My hon. Friend the Member for Stone (Mr. Cash) has spoken, and I understand that my hon. Friend the Member for Poole (Mr. Syms) had some sympathy with his argument about not suddenly giving way to the Trojan horse of proportional representation. We are setting out to debate the different system that the other place has brought forward—a different system of PR—and not whether there should be a PR system as such. On that basis, those in another place were appropriately engaging in their role as a revising Chamber, and did so in an estimable fashion. It is incumbent upon us to consider the merits of the argument that they presented, not to return to an earlier debate of principle about whether there should be a PR or first-past-the-post system for elections to the European Parliament.

Within those confines I think that the other place, by means of the amendment, has shown that it is a useful adjunct to this debate in the sense of being free of control of government and has highlighted that it is free of control of party. At the heart of the amendment is a diminution of the power of party systems over the choice of candidate and who is to go forward to the European Parliament.

It may be at the margin but I suspect that it will be a significant margin, of difference if those who are put forward for the European Union parliamentary elections are to be aware that their own appeal to the electorate will be significant in determining the overall result for their party and potentially the result for themselves as compared with other candidates.

Mr. Christopher Gill (Ludlow): I am obviously reluctant to intrude on the grief of the Labour party, but my hon. Friend makes a good point. In the west midlands—the hon. Member for Walsall, North (Mr. Winnick) is a west midlands Member—the person who is at the top of the Labour party list is someone who we have never heard of in the area, unless we happen to be addicts of the soap opera "EastEnders."

Mr. Deputy Speaker: Order. The hon. Gentleman's intervention is far too long. The amendment refers to the open list and the closed list and not to candidates.

Mr. Lansley: I think that my hon. Friend makes a relevant point in the sense that we might find under an open list system that a candidate who heads a list—for example, the Labour party's list in the west midlands—is the sort of candidate who might lose votes by comparison with others. It will become obvious by virtue of an open list system that that is the sort of candidate who is not supported.

The argument was presented in the debate in another place that the Labour party might be helped out of a certain difficulty in Wales over its candidate selection by the open list system. I suspect, although I am not privy to all the internal details of the Labour party's machinations—I rely upon the debate in another place—that a closed list system suits the Labour party in many respects. It has suited the Labour party in its ability to control the selection of candidates. I think that it suits it in the ranking of those candidates in the same way. From that point of view, my hon. Friend the Member for Ludlow (Mr. Gill) has usefully assisted my argument.

Mr. John Gummer (Suffolk, Coastal): Will my hon. Friend ask this question of himself? If the Labour party is so keen on focus groups to tell the Government how they should run their policy, would not this system be a convenient sort of focus group so that they could see by the candidates who did best; the sort of policies and attitudes—

Mr. Deputy Speaker: Order. The amendment is far too narrow to enable us to get into these matters.

Mr. Lansley: Thank you, Mr. Deputy Speaker.

My right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer) takes me on to my next point. My first point was that the amendment creates a greater sense of accountability to electors rather than to party. As it happens—my right hon. Friend no doubt knew this and led me helpfully on to the point—the Labour Government went down the path of consulting focus groups on whether an open or closed list would be desirable. They found that the public took a negative view of a closed list and preferred an open list system.

In another place the Minister responding for the Government said, "Ah, but there is a significant difference in the response that you get to this question if you explain the issues and the respective systems to the voters."

[Mr. Lansley]

That may be true, but it will not change the result finally. I suspect—here is the key point—that the public will not go into the polling booths on 10 June next year having examined the system of election minutely. They will go into the polling booths either dimly aware or not aware at all of the electoral system that is to be used, and they will be presented with a closed list system.

To me, and I imagine to many in the House, the list system is an alien one in the sense that voters repeatedly ask, "May I see who the candidate is?" I know that that is true for literature, for canvassing and for elections generally. Voters wish to know who the candidate is. They may be able to cross the bridge of the idea that they are being offered several different candidates, each of whom is related to the same party. However, to be divorced wholly, in effect, from the ability to choose a candidate is a very undesirable situation at which to arrive.

I wish to make two further points arising from the debate. First, I listened with care to the arguments presented about the perverse potential result that might arise, where under the proposed system referred to in the Lords amendment someone is not elected who had a greater number of express preference votes—personal votes—than someone who was elected. However, I think that the Government mislead themselves if they think that that is the key reason for resisting the amendment. It happens to be a transparent perversity that might occur under an open list system. Under a closed list system, many candidates might be elected who would be much less preferred by the electorate than those who are not elected.

The simple fact is that the closed list system denies us that knowledge. It denies us the ability to determine the personal preferences of the electorate when faced with the candidates. It denies that choice.

The Home Secretary was at pains to tell us that in Blackburn, with the parliamentary system that is employed for elections to this place, if someone wishes to vote for the Labour party he has to vote for the Home Secretary. That is true, but what the Home Secretary did not refer to—I wonder why he did not take this opportunity to think about it—is that there may be people in Blackburn who wish to vote for the Home Secretary without thinking that it was their preference to vote for the Labour party. That is the point. In the European elections, people may be swayed by the character of the candidate more than they are swayed by that candidate's party allegiance. It is important that we give vent for that. Voters demand it, the other place was right to ask for it, and I hope that the House will support it.

6.30 pm

Mr. James Clappison (Hertsmere): This has been an interesting and even-tempered debate, in which there has been a wide measure of agreement across the House. I agree with my hon. Friend the Member for South Cambridgeshire (Mr. Lansley) that the other place has done the House and the country a signal service in passing the amendments. It has fulfilled its constitutional function as an adjunct of this place and has given us an opportunity to think again about voter choice and the difference between open and closed lists. For all the complexity that has arisen in certain quarters, the issue is simply whether voters have a choice about individual party candidates. The other place has given us a useful opportunity to explore why voters should be given such a choice.

I say that there has been a wide measure of agreement across the House on this because, apart from the Home Secretary's noble attempt to explain the d'Hondt system and all the rest—his contribution was perhaps not one of the simplest that he has made to the House—few voices have been raised on either side of the House in favour of the closed list system. The hon. Member for St. Helens, South (Mr. Bermingham) made it clear that he did not like either system. He is a well-known champion of the first-past-the-post system, and he gave the House a good account of his views on that.

The hon. Member for Walsall, North (Mr. Winnick) made it clear that he was opposed to the closed list system. On that basis, he made an honourable contribution. He said that, even if everything was above board and there was no question of any MEP's political opinions being taken into account or held against him in the selection process, an open list system would still be better, because it would be obvious that that was not happening. That was a fair point to make. Certainly in the case of the Labour party, whether any MEP's political opinions have been taken into account in the selection process has not been entirely self-evident in what has happened.

The strongest support for the Government came from the hon. Member for Sheffield, Hallam (Mr. Allan). Not for the first time, I am a little perplexed by the Liberal Democrats' attitude on this. When the matter came before the House on 12 March on Report, the hon. Gentleman argued in favour of the open list system, and said that it would maximise voter choice. That was the first time that the matter came back to the House after the Home Secretary had been considering it. The Liberal Democrats then voted with the Government in favour of closed lists.

Mr. Allan: Will the hon. Gentleman give way?

Mr. Clappison: I shall give way in a moment.

Today, the hon. Gentleman said that it is now far too late for any changes to be made and that they should have been made earlie, but on 12 March, he said:

"We hope that the Home Secretary and his team will return to the issue as the Bill proceeds through Parliament, give further consideration to the objective of maximising voter choice and, having listened to the arguments so eloquently made by hon. Members on both sides of the House, produce an open list system that will at least enact the spirit of our amendments, if they cannot accept them today."—[*Official Report*, 12 March 1998; Vol. 308, c. 777.]

The Liberal Democrats have been given such an opportunity today, but now they say it is too late, despite having argued for more time earlier. I give way to the hon. Gentleman to explain briefly all those contradictions.

Mr. Allan: I am grateful to the hon. Gentleman for quoting my words back at me. As the hon. Gentleman will discover if he looks at the record, between March and June this year we consistently argued the case for open lists, culminating in a vote in June in the other place in which my colleagues voted for that, and lost the vote by 15 votes with no support from the hon. Gentleman's

noble Friends. At that point we decided that the argument had been lost, and that the important thing was to get the Bill through.

Mr. Clappison: That sounds like a good each-way bet.

My hon. Friend the Member for Stone (Mr. Cash) made a highly principled speech which reflected his devotion to the first-past-the-post system, the case for which he put robustly.

My right hon. Friend the Member for Skipton and Ripon (Mr. Curry) made an excellent speech with the advantage and experience of being an ex-MEP. He was firm that we were wrong to choose a closed list system. As he said, the Government seem determined to choose a system which maximises MEPs' anonymity. Surely, now that it is even more difficult for MEPs to make themselves known to their electorate and to form the sort of relationship with the elector which we would all want to see, because the constituencies are even bigger than they used to be having become part of these large regions, it is more important than ever that MEPs be given an opportunity to establish an individual relationship with groups within the electorate and, if possible, with individual electors. My right hon. Friend struck the right note when he said that we should be able to trust the people, and that people should be given a choice. The Government are denying people that.

My hon. Friend the Member for Poole (Mr. Syms) made another excellent speech. He said that this is not a good Bill and that this issue goes to its heart.

My hon. Friend the Member for Vale of York (Miss McIntosh), who also speaks with experience of the European Parliament, had serious concerns about the system's effect on turnout. As she rightly said, this is the first time in the experience of the British electorate that an elector will go into the polling booth and have to vote for a party or slate, not for an individual. That is alien to our political traditions. The House will also have noted my hon. Friend's comments about the difficulties which returning officers may face as a result of the system chosen by the Government.

My hon. Friend the Member for Bury St. Edmunds (Mr. Ruffley) made the important point, to which I shall return, that the system involves a concentration of power in party headquarters, which is profoundly unhealthy. My hon. Friend the Member for New Forest, West (Mr. Swayne) made the important point that the system is not in the interests of voter choice.

Finally, my hon. Friend the Member for South Cambridgeshire will have struck a note with many when he said that when voters go into the polling booth they want to know who a candidate is. I am sure that many hon. Members will have responded warmly to that sentiment.

The Home Secretary has done his best to sell the closed list system, but he has faced an impossible task. He has learnt this afternoon that there is no love on either side of the House for the closed list system. No organisation or commentator of any independence generally has had a good word to say about the closed list system. The right hon. Gentleman even set up a focus group to find some support for that system. It did not like it, either. The right hon. Gentleman tried to find some encouragement in his analysis of the Belgian electoral system. He put the paper about the Belgian electoral system in the House of Commons Library, but for all the good that that did, the Home Secretary might as well have performed his party game of trying to name 10 famous Belgians. We did at least discover today that Mr. d'Hondt's name means "dog" in Flemish.

As the Government's task has become more desperate, their arguments have become even more bogus. Very much at the last hour, the Government have produced a new argument—at least, one that has not been made too often before—that the system is being introduced for the benefit of women and ethnic minorities. That is an interesting proposition in view of the list which has been produced by the closed list system in my area in the eastern region.

Of the first five candidates on the list selected by the Labour party machine for that region—order is all-important—only one was a woman, although the bottom three candidates were all women. To the best of my knowledge, no one on the list was from an ethnic minority. At an open meeting on a wet afternoon in Newmarket, the Conservatives managed to produce at least one member of an ethnic minority—Mr. Bashir Khanbai—who is No. 3 on the list. He is an excellent candidate who stands every chance of being elected.

Mr. Ruffley: Is my hon. Friend aware that the noble Lord Evans of Parkside observed in the other place that, under the closed list system, 13 women and one black candidate are likely to be elected next year, compared with 13 women and one black person under the existing system? Thus there is no net gain and, even on its own terms, the closed list system fails.

Mr. Clappison: My hon. Friend has obviously been taking a close interest in this matter. His knowledge is greater than mine. I cannot speak for the generality of his argument, but I am sure that he is correct. I know from what we heard in the House earlier this afternoon that the system has at least produced an English MEP candidate at the top of the list in Wales. I do not know whether he counts as an ethnic minority, but it seems to have ruffled a few feathers.

The proposed system is bad. It is instructive that, given the Labour party's commitment to changing how we elect our MEPs, of all the systems that it could have chosen, it has chosen one that clearly emphasises central party control. We would have preferred retention of the first-past-the-post system, for which my right hon. Friend the Member for Sutton Coldfield (Sir N. Fowler) made a robust case.

As the Home Secretary accepts, a number of other countries in Europe have various open list systems, which were all rejected in favour of a closed list system. Although he rightly says that some countries in Europe have closed list systems, so ours is not unique, his remarks must be qualified because, of all the countries in Europe with closed list systems—they are apparently in the minority—we will be the only country to operate a closed list system at a regional rather than a national level.

That is another characteristic of the Government's system that maximises central party control. It creates a double whammy for central party control, because voters will have no say about individual candidates, as they do in an open list system. Furthermore, it is difficult for smaller parties to be formed to contest elections nationally, because they have the disadvantage of having to operate at a regional level.

[Mr. Clappison]

As many commentators, including the constitution unit, have noted, a closed list system at regional level maximises central party control. That gives us a glimpse of new Labour's real constitutional priorities and instincts. It is very much a new Labour system. If ever a system was rife for cronyism, this is it, with central party control and cronyism being exalted at all levels.

We think that the proposed system is bad and that one based on first past the post would have been much better. However, it is fair that we should debate open as opposed to closed list systems. All the points made by Opposition Members about voter choice have been well made. The proposed system is anathema to our constitutional system, and alien to our political traditions. It will be deeply regretted by many members of the electorate when they discover that they can no longer choose an individual candidate of a party and that everything is handed down to them by central party bosses who think that they know best. That is wrong.

The Lords were right to raise this issue and give us another chance to discuss whether voters should have a choice or whether that choice should be taken away by new Labour and its apparatchiks.

The Parliamentary Under-Secretary of State for the Home Department (Mr. George Howarth): I concur with the opening remark of the hon. Member for Hertsmere (Mr. Clappison)—that this has been a good debate. It has been interesting, and hon. Members have made important points well. I congratulate all those who have participated.

The hon. Gentleman criticised the regional list system proposed by my party in Wales, on the grounds that an Englishman is at the top of the list. I find that criticism strange coming from a party which, when in government, could not even produce a Secretary of State for Wales who was not English.

Sir Norman Fowler: I would move on from that point, if I were you.

6.45 pm

Mr. Howarth: I might just say that, so successful was Conservative stewardship of Wales under an English Secretary of State that it no longer has a single parliamentary seat there, so the hon. Member for Hertsmere need not lecture us on who is fit to govern and represent Wales.

The hon. Member for South Cambridgeshire (Mr. Lansley) made a couple of interesting points.

Mr. Ruffley: Will the Minister give way?

Mr. Howarth: I shall come to the hon. Gentleman in a minute. I wish first to refer to the points made by the hon. Member for South Cambridgeshire, who said that the House of Lords had done us a service in passing the amendment. Some of his right hon. and hon. Friends may share that view, but to portray the House of Lords as a defender of democracy is unlikely, particularly as 50 of those who supported the amendment were hereditary peers. It is a bizarre spectacle to set up hereditary peers as heroes for supporting such a measure, which the hon. Gentleman thinks brings greater democracy, especially as the amendment was passed by a majority of only 25 votes. That casts doubt over the role of hereditary peers.

The hon. Member for Sheffield, Hallam (Mr. Allan) made an interesting speech, summing up the difficulty of those who might prefer a different system. The way in which the amendment has come from the House of Lords does not leave much choice. He rightly cast doubt on the motives of many of those who voted in the other place. We do not know exactly what considerations went through their minds, but the hon. Gentleman made a valid point. I welcome the fact that, in the circumstances, he feels it appropriate to support us in the Lobby tonight.

The right hon. Member for Skipton and Ripon (Mr. Curry) quoted my right hon. Friend the Home Secretary, who said earlier that it is important that any electoral system should be appropriate to the body being elected. He went on to disagree with my right hon. Friend about the appropriateness of the proposed system. In a characteristically thoughtful speech, he said that he disliked the extent to which party labels would be the foremost consideration in the system that we have chosen, which we would call a "simple list" or "closed list" system.

It is incumbent on all those who represent a political party to make this simple point: representing a political party has a meaning. By identifying ourselves with a political party, we convey a particular set of values and policies, and we associate ourselves with those values. It is important that anybody who gets his or her name on to a party list reflects the values and policies that attach to that party. In that sense, the right hon. Member for Skipton and Ripon should examine whether it is important that a party label has that meaning, and that there is an endorsement from that party for any particular candidate.

Mr. Curry: Will the Minister give way?

Mr. Howarth: In a moment; I want to make an important point for any party about a problem that his party has and mine had in the past.

When it becomes unclear to the electorate precisely what a political party represents, that party gets into difficulty with the electorate. I say, quite openly, that my party got into difficulties with the electorate in the early 1980s, when it was not entirely clear what it represented. The same applied at the previous general election—in equal, if not greater, measure—for the right hon. Gentleman's party, because it was not entirely clear what it stood for, what its values were and what policies it represented.

Political parties have a duty, not only to themselves but to the electorate, to protect what they stand for. A list system along the lines that we propose is one way in which we can do that.

Mr. Curry: I do not dissent from what the Minister says about our being elected with party labels, but he knows that a significant number of his party's MEPs, who presumably shared the values that he is talking about, are being replaced. A committee is putting forward a different set of people, presumably with the same values. That happened to some extent in my party, but at least it was

done by all the members. Does he not think that that will give a problem to the electorate, who will wonder why a committee has apparently removed one set of people to replace them with another? The electorate will not be given the choice.

Mr. Deputy Speaker: Order. We are going wide of the Lords amendments. We are discussing a closed list or an open list.

Mr. Howarth: I took part in my party's selection procedure as a member. Members were consulted, and the system took their views into account, but, because the list was regional, my party had a particular right to say that being on that list must mean something in policy terms.

The hon. Member for Vale of York (Miss McIntosh) raised a particular point about the different systems that apply in different parts of Europe. Let me confirm what my right hon. Friend the Home Secretary told her in a letter: Germany, France, Greece, Portugal and Spain all sign up to a system similar to the one that we propose. Those who are covered by that system form a majority of voters in Europe, and we are adding Britain to that system. The hon. Lady was correct to say that nine European countries have open list systems.

The hon. Member for Stone (Mr. Cash), who was about to leave the Chamber, but has come back again, let the cat out of the bag about the difficulty that Conservative Members have. They want first past the post under all circumstances, no matter how inappropriate it is to the body that is being elected. We have had a debate—the hon. Gentleman was quite open about this—predicated on the belief, which was unstated in many cases, that Conservative Members would prefer ordinary constituencies, such as those that we have used in the past, with a first-past-the-post system. We do not believe that that is the most appropriate way of electing the European Parliament.

Mr. Cash: Does the Minister accept that a Stalinist approach has been adopted to get rid of Ken Coates and others? *[Interruption.]* Does he also accept that that shows that the Labour party and the Government intend—

Mr. Deputy Speaker: Order. That is far too wide of the amendment. I also appeal to hon. Members: the House must come to order. There are far too many conversations around the Chamber.

Mr. Howarth: I will not be tempted along that line, Mr. Deputy Speaker, given your strictures, and because I have already answered the point. The hon. Member for Stone made an honest case, but not one that I agree with.

My hon. Friend the Member for St. Helens, South (Mr. Bermingham) raised a couple of points: his concern about turnout in the European elections as a result of whatever system we adopt, and Sunday voting. I shall deal with those in turn.

I share the concern about turnout, not only in the European election, but in general. I chair a working party, on which the Conservative party, the Liberal party and many experts sit, which is considering electoral arrangements. They are one of the issues that we want to address, and they are a problem in Europe, although that problem does not relate exclusively to Europe.

We all have a duty. I was involved in the launch of the "Get the Vote Out" campaign last week, and it will be helping. It is incumbent on political parties also to try to get the vote out at the election, whether they like the system or not. I hope that we all play our part.

It would be unwise to use Sunday voting on this occasion. We will be using a proportional regional list system for the first time, which is a major change. That may affect turnout, and moving to Sunday voting may do the same. We would not know the weight of one factor against the other in that equation, so I would rather have one change at a time so that we can measure it.

Mr. Bermingham: Will my hon. Friend give me a straight answer to a straight question: does he think that the new system will increase or decrease the turnout next June?

Mr. Howarth: I do not know. That will depend on how hard we all campaign, and how other bodies support us in that campaigning to make sure that people believe that it is important that they go out and vote.

As my right hon. Friend the Home Secretary said, no electoral system is perfect. The most important thing is that we choose the one that produces the best and fairest result, which this one will. It is important that we choose a system that is appropriate to the body that is being elected. This one is appropriate, and I urge my hon. Friends to support it. There is no perfect solution, but this is the best available, and, in the long run, it will prove itself at the elections.

Question put, That this House does disagree with the Lords in the said amendment:—

The House divided: Ayes 338, Noes 131.

Division No. 367] **[6.56 pm**

AYES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allan, Richard
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atkins, Charlotte
Austin, John
Banks, Tony
Barron, Kevin
Bayley, Hugh
Beard, Nigel
Begg, Miss Anne
Beith, Rt Hon A J
Bell, Stuart *(Middlesbrough)*
Bennett, Andrew F
Benton, Joe
Bermingham, Gerald
Berry, Roger
Best, Harold
Betts, Clive
Blears, Ms Hazel
Blizzard, Bob
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Butler, Mrs Christine
Byers, Rt Hon Stephen
Cabom, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Menzies *(NE Fife)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Caplin, Ivor
Casale, Roger
Caton, Martin
Chapman, Ben *(Wirral S)*
Chaytor, David
Chidgey, David
Chisholm, Malcolm
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain

Colman, Tony
Connarty, Michael
Cook, Rt Hon Robin *(Livingston)*
Cooper, Yvette
Corbett, Robin
Cotter, Brian
Cousins, Jim
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Cov'try S)*
Cunningham, Ms Roseanna *(Perth)*
Dalyell, Tam
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Ewing, Mrs Margaret
Fatchett, Derek
Fearn, Ronnie
Field, Rt Hon Frank
Fitzpatrick, Jim
Fitzsimons, Lorna
Flint, Caroline
Follett, Barbara
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Galloway, George
Gapes, Mike
Gardiner, Barry
Gerrard, Neil
Gilroy, Mrs Linda
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Heal, Mrs Sylvia
Healey, John
Heath, David *(Somerton & Frome)*
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Kate
Hood, Jimmy
Hope, Phil
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Illsley, Eric
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jowell, Ms Tessa
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Ms Oona *(Bethnal Green)*
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Linton, Martin
Livsey, Richard
Lloyd, Tony *(Manchester C)*
Llwyd, Elfyn
Lock, David
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonagh, Siobhain
Macdonald, Calum
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
McLeish, Henry
Maclennan, Rt Hon Robert
McNamara, Kevin
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Marek, Dr John
Marsden, Gordon *(Blackpool S)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Martlew, Eric
Maxton, John
Meale, Alan
Merron, Gillian
Michael, Alun
Michie, Mrs Ray *(Argyll & Bute)*
Milburn, Alan
Miller, Andrew
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morris, Rt Hon John *(Aberavon)*
Mountford, Kali
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Naysmith, Dr Doug
Norris, Dan
Oaten, Mark
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
O'Neill, Martin
Öpik, Lembit
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Roche, Mrs Barbara
Rogers, Allan
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Roy, Frank
Ruddock, Ms Joan
Russell, Bob *(Colchester)*
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salter, Martin
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Shipley, Ms Debra
Short, Rt Hon Clare
Singh, Marsha
Smith, Angela *(Basildon)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Swinney, John
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Temple–Morris, Peter
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Twigg, Derek *(Halton)*
Vaz, Keith
Vis, Dr Rudi
Walley, Ms Joan
Ward, Ms Claire
Wareing, Robert N
Watts, David
Webb, Steve
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Wigley, Rt Hon Dafydd
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Willis, Phil
Wilson, Brian
Winterton, Ms Rosie *(Doncaster C)*
Wood, Mike
Woolas, Phil
Worthington, Tony
Wray, James
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

Tellers for the Ayes:
Mr. Graham Allen and
Mr. David Jamieson.

NOES

Amess, David
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Atkinson, Peter *(Hexham)*
Beggs, Roy
Bell, Martin *(Tatton)*
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Body, Sir Richard
Boswell, Tim
Brady, Graham
Brazier, Julian
Brooke, Rt Hon Peter
Browning, Mrs Angela

Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clappison, James
Clark, Dr Michael *(Rayleigh)*
Clifton-Brown, Geoffrey
Collins, Tim
Colvin, Michael
Cormack, Sir Patrick
Cran, James
Curry, Rt Hon David
Davies, Quentin *(Grantham)*
Day, Stephen
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Faber, David
Fabricant, Michael
Flight, Howard
Forth, Rt Hon Eric
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Gale, Roger
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Gorman, Mrs Teresa
Gray, James
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hammond, Philip
Hawkins, Nick
Hayes, John
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Horam, John
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Johnson Smith, Rt Hon Sir Geoffrey
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
McIntosh, Miss Anne
Maclean, Rt Hon David
McLoughlin, Patrick
Major, Rt Hon John
Malins, Humfrey
Maples, John
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Prior, David
Randall, John
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Rowe, Andrew *(Faversham)*
Ruffley, David
St Aubyn, Nick
Shephard, Rt Hon Mrs Gillian
Smyth, Rev Martin *(Belfast S)*
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Townend, John
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Waterson, Nigel
Wells, Bowen
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Wilshire, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Noes:
Sir David Madel and
Mrs. Caroline Spelman.

Question accordingly agreed to.

Lords amendment disagreed to.

Lords amendments Nos. 2, 3 and 4 disagreed to.

Committee appointed to draw up Reasons to be assigned to the Lords for disagreeing to certain of their amendments to the Bill: Mr. James Clappison, Mr. Mike Hall, Mr. George Howarth, Mr. Paddy Tipping and Mr. Nigel Waterson; Mr. George Howarth to be the Chairman of the Committee; Three to be the quorum of the Committee.—*[Mr. Mike Hall.]*

To withdraw immediately.

Reasons for disagreeing to certain Lords amendments reported, and agreed to; to be communicated to the Lords.

Working Time

7.13 pm

Mr. Ian Bruce (South Dorset): On a point of order, Mr. Deputy Speaker. I am sure that you, and all Members, will have been inundated with queries from constituents asking about the working time regulations. I was amazed to discover not only that the regulations were brought into force at a time when the House was not sitting, but that apparently only an hour and a half was available for us to debate 43 clauses and two schedules of what would constitute a major Bill.

Is there no way in which the House can protect itself and the constituents whom we have been sent here to represent by ensuring that the regulations are properly debated, and that the Government have a chance to amend any part of a measure that will otherwise cause enormous problems to all our constituents, including employers?

Mr. Deputy Speaker (Mr. Michael J. Martin): I am guided by the rules of the House, according to which everything is in order.

Mr. John Gummer (Suffolk, Coastal): Further to that point of order, Mr. Deputy Speaker. Is it in order for the Government to spend large sums advertising the fact that rural persons—meant to be shepherds—will be affected by the measure even before it has been passed?

Mr. Deputy Speaker: That is a matter for debate.

7.14 pm

Mr. John Redwood (Wokingham): I beg to move,

That an humble Address be presented to Her Majesty, praying that the Working Time Regulations 1998 (S.I., 1998, No. 1833), dated 30th July 1998, a copy of which was laid before this House on 30th July, be annulled.

At last we have been allowed a debate on massively important regulations that will cost business £2,000 million a year, may well cost many people their jobs, and are yet another reason why business in this country will be less competitive and less successful.

The House will know that I have declared interests in the Register of Members' Interests; but I do not speak on behalf of any narrow sectional interest tonight. I speak on behalf of all who want more jobs, more economic success, more flexibility, more opportunity and more choice. My right hon. and hon. Friends have exposed the hollowness of the new deal, and the fact that so few people have been able to take advantage of that scheme and go on to find jobs. Tonight we are debating the way in which the Government are heaping regulation on regulation, making it much more difficult for people to find jobs in the normal course of market business.

Where is the Secretary of State for Trade and Industry? Did he discover that he had already done his work in time for this week, and decide to absent himself? Does he not realise that Ministers are not subject to regulation of this kind, and that we expect them to come to the House and answer when they are imposing such massive costs on business and making such differences to our economy?

Why did the Secretary of State allow no debate during the parliamentary year, up to the summer recess? We all knew that the work had to be done; we all knew that there were contentious issues in regard to how the Brussels directive was to be implemented. We wanted a debate to ensure that it was implemented in the least intrusive and damaging way possible, but we were offered absolutely no debate.

We then discovered that the measure had been sneaked out in the summer recess. The Government hoped to get away with it, with absolutely no debate and practically no publicity. Business had to obey all the rules from 1 October; yet business was not to be properly informed, and the public and business were not to be given the opportunity, through Her Majesty's Opposition, to express their view on how the measure could be implemented in a less damaging way.

Mr. Gummer: Is not my right hon. Friend being a little unkind to the right hon. Gentleman who should be present—the Secretary of State? When this issue hit the headlines, the right hon. Gentleman made it his business to appear on as many television programmes, and as widely, as was possible, to explain his position to the rest of the country. Is it not odd that he has not made it his business to come here tonight? Perhaps he feels that other issues will dominate the television headlines today.

Mr. Redwood: I am not sure what my right hon. Friend meant by that last remark, but I think it is often the case that the present Secretary of State prefers spinning to working, and perhaps tonight he is spinning away. What he should understand, however, is that this is the place that should have the news first. This is the place where he should come, so that we can cross-examine him. This is the place where he should defend and enormously complicated set of rules and regulations. This is the place where he should try to explain to us why we must have one costly and cumbersome set of regulations to tackle the issue of working time now, and why, next spring, we must have another set of equally cumbersome and complex regulations that do not mesh with the system to control the minimum wage.

Would it not have been more sensible for the Secretary of State to put the two pieces of work together, with the aim of minimising the cost to business of record keeping and bureaucracy? Would it not have been common courtesy for him to come to the House to support his Minister of State, and to answer the questions himself? So often, the Minister of State has been left—by both the present Secretary of State and his predecessor—to answer difficult questions.

Obviously, the former President of the Board of Trade and the new Secretary of State know that their policies do not add up. They know that they are part of the problem that faces manufacturing, which is now in a state of crisis. So they leave the poor Minister of State on his own to try to deal with all our sensible and important queries.

Maria Eagle (Liverpool, Garston): Is the right hon. Gentleman really suggesting that those who are losing their jobs in manufacturing are doing so because they have three weeks' paid annual leave and are entitled to rest breaks and decent terms and conditions?

Mr. Redwood: I am about to argue that the reason why British business is becoming so uncompetitive and so many manufacturers are closing factories and sacking

their employees is that the Government have heaped too many costs and burdens on them; it is not one individual imposition. Of course we want decent terms and conditions of employment, but, if we take all the regulations and all the tax increases that the Government have hurled at British businesses, we get an insupportable burden, which has led many of them to close, and will lead to many more closing.

All too often now, I read in correspondence or in newspaper reports of companies that are not merely closing here, but opening an equivalent facility in more lightly taxed and regulated countries. It is a sign that the Government have turned the UK, in less than two years, from being people's first choice for new investment locations when running a global business, to being their first choice for closure, so badly have the Government damaged the environment in which companies trade.

Mr. David Chidgey (Eastleigh): Will the right hon. Gentleman give way?

Mr. Redwood: I will in just one minute, when I have developed my argument a little further.

I wonder whether the Government are aware that one job is being lost every 10 minutes. I wonder whether they realise that, on recent independent analysis, they have already, in the first two years of office, including the minimum wage next spring, pushed up the cost to business by 40 per cent. through additional regulation. Do they know that their own compliance cost assessment says that it is going to be more than £2,000 million a year to pay for working time? Does the hon. Member for Liverpool, Garston (Maria Eagle) realise that the extra money will come out of business, which means less investment and less employment? *[Interruption.]*

We are all delighted to see that the Secretary of State for Trade and Industry now realises that he should have been here all along to hear our arguments. I am sure that he did not enjoy going belatedly to his constituency to see why factories were closing there. If he stays for the rest of the debate, I and my right hon. and hon. Friends may be able to make him a little wiser about why it is that, under this Government, Britain has deteriorated so rapidly, and is now people's least preferred choice for new investment.

On top of the £2 billion working time regulations cost, we have an estimated £2.9 billion minimum wage cost coming in this spring, yet another reason why less profit and less revenue will be left in business coffers to pay for new jobs and new investment.

I have received evidence from those who are responsible for hiring temporary workers, a flexibility that some employees themselves like, as well as some companies. I am told that this regulation on its own imposes an 8 per cent. additional levy on the payroll cost of employing a temporary worker. Even the Secretary of State must realise that that will mean that fewer workers are employed.

I do not like that fact of economic life. I would like to be able to tell my constituents that there are going to be even more jobs, at ever higher rates of pay, with ever additional regulatory protection. We would all like to live in that world, but the Secretary of State must get real. He is always lecturing British business about the need to be more productive and more competitive. Every 8 per cent. additional burden on payroll means fewer people employed and less successful business operations in the United Kingdom.

When this Government came to office, we were told that they had three priorities: education, education, education. I do not know whether the needle had stuck or they had just got lost in making the soundbite more interesting, but let me play one back to them. After 18 months in office, they have shown that their priority is not education, education, education—because they have been destroying great schools and doing a lot of damage, as my right hon. and hon. Friends have been pointing out—but regulation, regulation, regulation. It is that which will do so much damage to job prospects and opportunities in the United Kingdom.

This Government are making it too dear to do business in Britain. They are making it too dear to make things in Britain. That is the common theme behind the tragedy at Rover, the closure of Siemens, the closure of Fujitsu, the closure of Grove Cranes—behind that long list of factory closures and job losses that we have helped to chronicle and expressed our regret over—but it was an entirely predictable result of this Government's policies of sticking up sterling, interest rates and business taxes and increasing regulation. Cost after cost has been placed on business.

I am sure that the Secretary of State would tell us, were he to speak, that sterling is beginning to devalue, but does he not understand that the damage has been done by 12 or 15 months of very high sterling and by the persistence of extremely high interest rates—more than double the level of interest rates of our main competitors on the continent? It is this Government who have made it too dear to make things in Britain.

Mr. Chidgey: I apologise to the right hon. Gentleman in advance for interrupting the flow of his argument, but a few moments ago he said that companies were relocating to other countries, rather than into Britain. I wonder whether he could help the House by giving us some examples of the countries to which companies are relocating on the basis of labour costs, rather than staying in the UK.

Mr. Redwood: Companies are relocating to Asian and American locations. Even within the European Union, where there are tax differences, companies are relocating. Rank Xerox, for example, has recently announced the cessation of 500 jobs in the forest of Dean. They are going to the Republic of Ireland, where there is a huge tax advantage. I have made it clear that we have to look at tax and labour costs together—that this Government have imposed many additional burdens on business here, which causes the problems.

Mr. John Bercow (Buckingham): I am sure that the whole House will agree with my right hon. Friend that it is welcome news that the nomad has returned. The Secretary of State is making a half effort at listening, and is feverishly taking notes, but does my right hon. Friend not think that it would be useful if the Secretary of State felt able at the conclusion of the debate to deliver a half-competent response to it?

Mr. Redwood: My hon. Friend has made his own strong point in his inimitable way.

[Mr. Redwood]

We want to know: why is it that the Government have chosen for the minimum wage different time periods and different record keeping from the working time regulations? We want to know why the two cannot be made compatible and be brought together. We wish to have some of the complexity explained through this House to the country at large.

Why, for example, have the Government chosen the particular formula on page 10 to calculate entitlement to leave? It would be too boring to read out the whole thing, but

"(A x B)-C

where

A is the period of leave to which the worker is entitled under regulation 13(1);

B is the proportion of the worker's leave year which expired before the termination date"—

and so forth is not easy for someone who is running their small business, and is worried about where the next sales are coming from and how to renegotiate the overdraft against the background of this Government's difficult monetary policy. There is much complexity and lack of clarity in the proposals.

I have had a lot of correspondence from throughout the country complaining about the opacity of the regulations and the lack of helpfulness of the ministerial team at the Department of Trade and Industry in making them clearer to business. For example, a nursing home owner wrote to me saying:

"These regulations have been brought in with no notice to small business. The first we heard of them was when a member of staff brought in an article from the Sunday Telegraph.

On speaking to the DTI they seemed totally confused and offered not a great deal of assistance, seeming to know virtually nothing about the subject."

That is one of several that I could quote from people who have not recognised that this was coming because we did not have the proper parliamentary debate and the normal publicity that relates to it. When the DTI realised that it needed to do something about publicity, people found that there were not enough copies of the guide, and that the 74-page guide was not clear anyway.

The guide warned people that it was not authoritative, and that it might even be wrong. It said that there could be court cases that undermined what the guide said, so the DTI and Secretary of State were saying to business, "Go to expensive lawyers. Ask for their advice, because our 74-page guide cannot reassure you. If you must, try to read these opaque and complex regulations."

Mr. Ian Bruce: Has my right hon. Friend seen the cartoon on the front of the regulations, which shows a British worker effectively sawing off his own job, and trying to indicate that the Government have got themselves in a mess? I wonder whether the Minister really understood what message he was conveying to people.

Mr. Redwood: Yes, I saw that and I assumed that Ministers had neither checked the cartoon nor read the text inside, as otherwise they would have seen what an own goal it was in its apparent portrayal of the Government cutting themselves off by sawing the wrong piece of wood on which they were precariously perched. The 74-page guide has made life more difficult, and the burden of DTI advice seems to be that people must go off to lawyers because they cannot be sure.

What extra financial provision is to be made throughout the public services to meet the extra cost? We know that that cost will be more than £2 billion a year, and that quite a bit of it will fall on service provision through public finance. Some nursing homes, for example, will have considerable extra costs. Those who have written to me say that the social services in their local authority have had no extra money, and that, if they try to put up their charges, they will doubtless be told that social services will have to buy fewer places.

Vulnerable people seem to be at risk unless the Government are prepared to route extra money into those social services funds, so that the same level of service can be provided and the public sector share of the £2 billion-plus cost of the regulations can be met. The Government should reassure all those people who may be at risk and tell them how much extra money will be put in to meet that cost in important public services. Over what period does the Secretary of State envisage that nursing homes, for example, will be allowed to put up their prices to cover the great additional cost and reassure all the people who need it that the care will continue to be provided?

The situation seemed to descend into farce when I read in the newspaper the other day that the Jubilee line completion date was gravely threatened because the work force wanted extra compensation in light of the regulations, and there was a threat of industrial action. It is a crowning irony for the Secretary of State, who prides himself on being able to see the dome through to a successful conclusion, that his own regulations, which he pushed through so casually in the summer recess, hoping that no one would notice, should have caused such industrial disruption to the construction of the Jubilee line, the timely completion of which is crucial to the dome project.

We want to know more about the exceptions. I am sure that many Labour Members would prefer the minimum of exceptions, because they believe that one can legislate for higher standards rather than working to achieve them in an enterprise economy. Why, then, are there so many exemptions? Why are all those working in

"air, rail, road, sea, inland waterway and lake transport . . . sea fishing . . . other work at sea; or . . . doctors in training"

exempted, but not others who might feel that their industry or activity warranted an exemption?

The Minister of State, Department of Trade and Industry (Mr. Ian McCartney): I want to help the right hon. Gentleman. Perhaps he has forgotten that, when he was a member of the previous Government, it was negotiated with the European Commission that those sectors would be dealt with separately because of their specific needs. That is exactly what is happening, and consultation is taking place. He made the point to attack the Government, but in fact he is attacking the previous Government, of which he was a member.

Mr. Redwood: I am not attacking the previous Government, who did not want any of these regulations, but were unable to persuade our European partners

through the courts. We would have been forced into implementing the regulations, but we would have done so in a far less damaging and costly way.

It is for the Minister to explain why, given that he is a believer in such regulation, he is exempting all those groups. There is nothing to stop him including everyone in the regulations, if he thinks that they are such a good idea. Why are those groups, representing a substantial chunk of the economy, left out of a protection that he considers valuable? If the answer is that they need the extra flexibility to have a successful industry with good labour relations, why does that not apply to other groups? Why does he not go back to Brussels with another list of groups that need similar treatment?

We were told that the Government would pride themselves on having a lot of influence in Brussels. I would not mind betting that they have not tried to renegotiate anything in the regulations, and that they have not returned to Brussels after the court case, as we would have done, to say that they were still not happy and wanted to negotiate something better. I do not suppose that they have expressed any interest in the subject around the ministerial table in Brussels. I take the grins on Ministers' faces as confirmation of that.

The Secretary of State is very good at asking people to work longer hours. He asked the Conran shop to stay open longer than normal so that he could complete his shopping, and when I visited the Birmingham motor show on Friday, I learned that he had asked for it to open early on Wednesday so that he could get back in time for a private lunch that he thought was very important.

It is ironic that the right hon. Gentleman, who, whether with a talking or with a silent part, has come to propose the regulations to the House, should himself have encouraged workers to break, or to get dangerously close to breaking, them for his own convenience. He is an important and influential man, but he is not yet royalty, and there must be limits to what he can expect of those in shops and motor shows.

Will the Minister confirm that Members of Parliament are exempt? Many of us would find it difficult to carry out all our functions in a 48-hour week. I believe that there is some doubt about the position of the Speaker. That should be clarified: is there any special circumstance in which someone working loyally for the service of the House as a whole could be in a different category from those of us who, I trust, are assumed to be more independent and are exempt from the regulations?

It is widely agreed by independent commentators, as well as by Conservative Members, that the incoming Government received a very fine economic legacy. It was a golden legacy, with low inflation; reasonable growth; reducing unemployment; a flexible work force; and living standards and real wages rising at a pace that the economy could sustain, in the context of a successful enterprise economy.

Eighteen months on, there is growing evidence of a downturn made in Downing street, with closure after closure, job loss after job loss and problem after problem. The Minister must answer on that general issue as it applies to this debate. Will not he concede that every such regulation, reducing flexibility and imposing additional costs, makes it more difficult for the enterprise economy to work and for us to achieve the improvement in living standards and in terms and conditions that always comes when an economy is growing or flourishing?

The paradox may be that, through the regulations, more people will lose their jobs and fewer will have decent living standards and quality of employment, because the regulations are part of the process by which the golden economic legacy is being squandered.

We have some positive recommendations, should the Minister be interested. We should like him to take away the regulations and come back with an improved version. He has to do something, as we know that he will not negotiate the cessation of the regulations from Brussels. We want him to consider whether more exemptions would be sensible, and to come up with less onerous record keeping. Much of the cost will be in record keeping, not improving people's jobs, but creating a lot of bureaucracy. That is simply throwing money down the drain. The Minister should reconsider the record keeping, in the light of the equally onerous record keeping that he is soon to demand for the minimum wage.

We should like the Minister to offer, even at this late stage, a better guide for businesses: 74 pages offering no guarantees is not satisfactory, and the language of the regulations is not clear for the normal entrepreneur running a small or medium business, who has better things to do than wade through this kind of stuff in the afternoon or late at night.

We definitely want clarification from the Secretary of State and his colleagues about how the public sector is to handle the large share of the cost that will fall on public services. We desperately need to know that those in nursing homes, for example, will continue to get their care, and that adequate extra money will be provided to pay for the costs that will fall on that sector.

Above all—from a Government who say that they are about creating jobs and opportunities—we want a proper statement of the impact of all that cost on jobs. Why is there no impact statement on jobs? The Department must have done work on that matter, and knows that every extra £2 billion of business cost results in less investment and fewer jobs. Will Ministers spell it out for us today, and honestly tell the nation what the cost will be? How many more factories? How many more times will I turn on my television or Ceefax in the morning and have to learn of another factory closing because the costs are simply too great?

The Government are wrecking the business bottom line. Wrecking the business bottom line means that there will be less business in Britain. Businesses will go elsewhere; they will shut down here. Will Ministers listen before it is too late, and before the Secretary of State is known and remembered only as the Minister for recession?

7.40 pm

Mr. Alan Johnson (Hull, West and Hessle): I speak in this debate more in sorrow than in anger, and as one who argued for many years in the trade union movement—it was not always an easy argument—that the movement should undergo a sea change by moving away from legal immunities and always depending on free collective bargaining, and towards positive rights and minimum standards. I argued that, if we did that in the United Kingdom, since no mainstream political party could oppose basic minimum standards, we would prevent exploitation and safeguard the rights of the most vulnerable. I argued that no political party entering government would ever dare to interfere with those minimum standards.

[Mr. Alan Johnson]

Although it is arguable whether the Conservatives are any longer a mainstream party, it is sad that a once great political institution should be demeaning itself by opposing such modest steps to prevent the exploitation of British workers. Conservative Members' opposition to such provisions is sad and makes them unique, even among the centre right parties on the continent.

Conservative Members have had a difficult time with the issue of working time regulations. First, they humiliated the United Kingdom by trying to evade the law and losing, hands down, at the European Court of Justice. Ultimately, they humiliated themselves. All they achieved—belonging, as they do, to the party of Church and the family—was the removal from the regulations the principle that Sunday should be the statutory day off.

Conservative Members then went to the country in a general election. I have a document—it is not easy to find a copy—published before the general election that is known as the Conservative party manifesto. It is perhaps known also as the shortest suicide note in history. It states:

"We will insist at the Intergovernmental Conference in Amsterdam that our opt-out is honoured and that Britain is exempted from the Working Time Directive".

There were not many specific pledges in that document, but that was one, and it was emphatically rejected at the general election by the British people.

Conservative Members deluded themselves into believing that they could continue to fool the British work force by making the essentially unpatriotic argument that it would somehow be good for people working in British factories for our country to be the exploitation capital of Europe. The British people emphatically rejected that attempt.

After the views of the Conservative party were rejected on 1 May 1997, the Labour Government went to Amsterdam and re-engaged in the process of civilised and mature politics. I honestly thought that, after their devastating defeat, Conservative Members would listen and learn from their experience. I really thought that they would realise that there had been a change not only in the United Kingdom but in the thinking of the trade union movement on how we should proceed in ensuring basic minimum standards at work. Conservative Members' motion on today's Order Paper shows that they are simply wallowing in their humiliation.

Mr. Ian Bruce: Will the hon. Gentleman give way?

Mr. Johnson: No; there is no time to give way. It is a short debate, and other hon. Members wish to speak.

Once again, Conservative Members are spouting their basically unpatriotic argument. They say that the issue is one of burdens on business. An example of a burden on business was the passage of legislation insisting that, every three years, employers had to approach workers to discover whether they were still happy to pay their union dues out of their pay each week, through check-off. Moreover, every time union dues were increased, the legislation required employers to write to every employee to discover whether he or she was still keen to continue doing what he or she had done for years. That is a burden on business.

On the principle of not imposing burdens on business, Conservative Members oppose passing regulations that will ensure basic, decent workplace standards. The regulations will not affect the practices of the vast majority of good British employers, but will help to tackle exploitation.

I have been a member of the Trade and Industry Committee for only a short time. However, shortly after the general election, because of Conservative Members' arguments that companies would make inward investment in the United Kingdom only if we opted out of the social chapter, we conducted an investigation into inward investment, and quizzed everyone to whom we spoke on the matter. As the evidence shows, the issue of the United Kingdom opting out of the social chapter did not crop up once among the firms to which we spoke about inward investment. The issues that they cared about most were training, skills and local facilities. Not once was the social chapter raised.

The Opposition have always opposed decent standards—whether in health and safety, equal opportunities or maternity rights—on the basis that providing decent standards would be a burden on British business. I think that British business understands that we now have a Government who subscribe to principles that are very different from those of the Opposition. I am happy for that difference in principles to define the difference between the Government and the Opposition. I hope that the House will reject the Conservative motion and pass the regulations.

7.46 pm

Mr. Christopher Gill (Ludlow): This is a very short debate, and I shall therefore make my speech a very brief one. The hon. Member for Hull, West and Hessle (Mr. Johnson) said that he was speaking in this debate more in sorrow than in anger. I speak in the debate in anger. I am very angry, on three counts—not least of which is the fact that the Government did not give the House an opportunity to debate the regulations before they came into effect on 1 October 1998.

Before I tabled early-day motion 1637, on 30 July 1998—effectively the last full working day before the summer recess—I checked with the Table Office to obtain a copy of the regulations. By mid-afternoon on that day, the regulations were still not available, although there was a hint that they might be available the following Friday morning. Such a situation is simply unacceptable. We are dealing not with run-of-the-mill regulations but with a very significant and expensive measure indeed.

The Government have acted disgracefully on the regulations. They could have made parliamentary time available to debate the regulations if they had wanted to. They failed to do so, and have thus shown their contempt for Parliament.

The second point that makes me angry is the fact that the Government, because of their handling of the regulations, have gratuitously imposed a huge cost burden on British industry. The hon. Member for Hull, West and Hessle has his own perspective on the matter, but that perspective is not shared by employers who are trying to run businesses in an increasingly competitive world.

I remind the hon. Member for Hull, West and Hessle of the new costs that will be imposed on British business. In the first full year, the costs will be £1.9 billion. In 12

months' time—because of the additional week's paid leave coming into effect—that £1.9 billion will increase to £2.3 billion. But the costs will not end there. According to the cost compliance statement, at paragraph 3.26 of annexe E3 of the consultation paper:

"It is assumed that the total cost of enforcing the Working Time Regulations could fall in the range £3.5-£6.3 million."

That cost deals only with enforcing the regulations. Paragraph 3.27 states:

"It is assumed that the enforcement of the Working Time Regulations could increase the industrial tribunals workload by an additional 3,000-6,000 industrial tribunal cases per annum".

It goes on:

"It is estimated that the enforcement of the Working Time Regulations could increase the workload of the HSE"—

the Health and Safety Executive—

"by between 10 and 25 per cent.".

The Government must be aware of all those factors. They must be aware of the huge burden of cost and bureaucracy that they are imposing on employers. Conservatives are certainly acutely conscious of those things, and we are determined to do all that we can to help employers remain competitive by opposing the regulations.

The effect of the regulations on this nation's competitive edge will be devastating. It is all very well for the Secretary of State, who is no longer in his place, to tell British industry to sharpen up its act and improve productivity. I can tell him that what British industry needs is help, not hectoring.

I shall give just one example from the real world of trade and industry to illustrate my point. The sawmilling industry is facing a grave crisis. In England and Wales, 22 mills have between them shed 485 workers. In the harvesting industry, approximately—

Mr. Alan Johnson: On a point of order, Mr. Deputy Speaker. I understand that the hon. Member for Ludlow (Mr. Gill) has registered shareholdings in a company but has not declared that fact in the debate; surely he should have done so at the beginning of his contribution.

Mr. Deputy Speaker: That is not a matter for the Chair.

Mr. Gill: My interests are well known, and they are of course declared in the Register of Members' Interests.

My point is that 22 companies in the timber industry in England and Wales have shed 485 jobs, which is leading to a further 100 job losses in the harvesting industry. The hon. Member for Hull, West and Hessle (Mr. Johnson) should know that that is because we are competing with countries that can provide us with timber very much more competitively. In Latvia, which is providing so much of that timber and putting British sawmills out of business, wages are not £3.60 an hour, or the minimum wage, but £2 a day. What are we doing in the face of that competition?

Maria Eagle (Liverpool, Garston): Will the hon. Gentleman give way?

Mr. Gill: No, I want to leave time for other hon. Members to speak, because it is important that we hear your arguments and I intend to complete my arguments before I sit down.

Mr. Deputy Speaker: Order. Does the hon. Gentleman expect me to give my argument?

Mr. Gill: I apologise, Mr. Deputy Speaker, but, as I said at the outset, I am very angry about what is happening.

I am about to give the third reason for my anger, but I shall first give way to my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg).

Mr. Douglas Hogg (Sleaford and North Hykeham): My hon. Friend said that there were three reasons for his anger, and he was just about to tell us the third. I suggest that there is a fourth reason, which is the lack of clarity in the regulations themselves, especially with regard to the definition of working time and whether it extends to long travel periods. If people travel to the far east on their employers' business, does that fall within the definition of working time? Does my hon. Friend agree that that is simply not clear from the documentation?

Mr. Gill: My right hon. and learned Friend draws attention to a very important point. Industry feels that all these matters should have been clarified in advance of the publication of the regulations. The point that I was making, with which I am sure my right hon. and learned Friend agrees, was that the regulations were not available before they were implemented. As he knows, they came into effect on 1 October, but only now do we have an opportunity to debate how they might affect our industries. The Government's view is that cases such as that which my right hon. and learned Friend instanced will have to be tested in the courts.

The third reason why I am angry is that the Government went to Amsterdam and simply caved in over the regulations. Before the election, the Conservative Government had challenged the legal base of the working time directive in the European Court of Justice, arguing that it was not a genuine health and safety measure. The Court ruled against the United Kingdom on 12 November 1996. My right hon. Friend the Member for Huntingdon (Mr. Major) then sought a reversal of that decision at the intergovernmental conference that led up to Amsterdam, and threatened not to sign the treaty unless that was agreed. That is an example of the Conservative Government trying to get the best possible deal out of the European Union. What have this Government done? As soon as they were elected, they went to Amsterdam, caved in and accepted the regulations in toto.

I promised to be brief, so I conclude by saying—to the Minister of State, the hon. Member for Makerfield (Mr. McCartney) in particular—that we need answers to three questions. Why did not the Government provide an

[Mr. Gill]

opportunity for Parliament to debate the measures before they were put into effect? Does he not understand the devastating effect of placing a huge burden of overhead costs on British industry? Finally, why did the Government go belly up? Why did they cave in in Europe instead of getting a quid pro quo for their acquiescence to the regulations before us?

7.55 pm

Maria Eagle (Liverpool, Garston): I am glad to have the opportunity that the hon. Member for Ludlow (Mr. Gill) would not give me to respond to what he said. He cited the example of the timber industry in Latvia—I do not know whether he is involved in that industry—to show that our competitors are paying workers in the saw mills as little as £2 a day. Is he suggesting that the only way that industry in this country can compete is by paying such wages? That is what he seems to be suggesting.

Mr. Gill: The hon. Lady knows perfectly well that that is not what I was suggesting. I was telling the House, especially Labour Members, that, if the Government continue to load British industry with overhead costs that are avoidable, they will make British business uncompetitive. My concern, although it might not be the hon. Lady's, is that that will put British people out of work.

Maria Eagle: I am grateful for that clarification, but the hon. Gentleman does not seem to understand the logic of his own argument. If employers in this country are paying massive wages, as he seemed to suggest, and if our competitors are paying their workers only £2 a day, it does not matter what other burdens businesses endure. The Opposition's argument is that we should be competing on the basis of the lowest possible wages and the worst possible conditions.

I congratulate the Government on implementing the working time directive. We are talking about decent minimum standards at work. We are not talking about giving people 10 or 12 weeks' holiday but about giving them three weeks' paid leave. That is not an excessive amount of leave to expect in a working year. We are talking about rest breaks that guarantee 20 minutes' rest, not one or two hours, if people work more than six hours. We are talking about the right not to work more than 48 hours a week unless one agrees to do so. We are also talking about people having the right to one day off a week.

Those provisions are not excessive, and I have not met one business man in my constituency—I talk to many regularly—who thinks that they are. It is clear from the regulations that there are derogations, and opportunities for people who wish to work longer hours to agree to do so. However, we are talking about the basic minimum standards at work which people should expect in a civilised society.

The right hon. Member for Wokingham (Mr. Redwood) cited the example of a nursing home. Does he not think that care workers will be ground down by their job if they do not have holidays and the right to a day off?

Mr. Redwood: My question on the nursing home was whether, given that what the hon. Lady regards as a desirable improvement will be introduced, the Government will pay for it. They must, or people will not get the care they need.

Maria Eagle: People will not get the care they need if the work force who are providing that care do not have holidays, cannot afford to take any time off and are being ground into stress-related illness. What are the costs of that? The right hon. Gentleman has made no reference to that.

What we have heard from Opposition Members tonight are further symptoms of their Gradgrind approach to industrial relations. They think that employees can be motivated to work for a living only by threats and big sticks such as fear of dismissal and lousy conditions at work. Anyone who has ever worked in the private sector, as I have, knows that the best way to motivate people at work is to lead by example and have team working and fair treatment. We are talking about basic decency—nobody should object to that.

I have a number of world-class companies in my constituency, including Glaxo Wellcome, Eli Lilley, Medeva Pharma and Ford Jaguar. I regularly meet their representatives, and I often ask them what is the most important reason for their success. Pharmaceutical companies in my constituency were in desperate trouble in the 1980s and almost closed. Unlike 25 per cent. of manufacturing industry in Liverpool, which closed in the first 18 months of Tory government—from 1979 to 1981—those companies managed to stay afloat. When I asked them how they did so, they said that it depended overwhelmingly on the commitment, time and effort of their staff. They accept, as does any decent employer, that one gets those results from people not by grinding their noses into the dirt but by treating them well, taking account of what they think, motivating them and having team working. That is the way of the future, but the Tories have not yet accepted that.

I agree with my hon. Friend the Member for Hull, West and Hessle (Mr. Johnson), who has extensive experience in this field. He said that the Conservatives are living in the past. The Tory legacy shows why the regulations are needed. There are 2.5 million working people in this country who have fewer than three weeks' paid leave a year, an amount which is a basic decency. There are 2.7 million employees who usually work more than 48 hours a week. People cannot do that for long periods without suffering an impact on their health.

Mr. Phil Hope (Corby): I draw my hon. Friend's attention to the fact that we shall need to be very vigilant when implementing the working time directive. I have information concerning an unscrupulous employment agency operating in my constituency. One of the people employed by the agency has been advised that, if she does not sign an agreement, she will lose her job. That is clearly an attempt by an unscrupulous agency to bypass the regulations, which are designed to protect workers' rights. We must be ceaselessly vigilant to ensure that such agencies are brought to book.

Maria Eagle: My hon. Friend is right. There are examples in other industries of people who have been put under duress to sign opt-outs. Once the regulations have been implemented and the Government have had an opportunity to monitor their implementation, they should

consider whether duress is being placed on workers to make them opt out. If there is evidence of duress, the Government should ensure that it does not continue.

The sawmill sector has already been referred to. I have an interest in the print trade because my father used to work in it. There are examples in that, trade of federations of employers, such as the Paper Federation and the Corrugated Packaging Federation, amicably reaching agreements with the Graphical, Paper and Media Union for implementing the regulations. That is the way forward. Good employers recognise, as do good employees, that the regulations set basic minimum standards. We should congratulate the Government on implementing them, and we should make sure that bad employers who do not implement them are pursued.

8.3 pm

Mr. David Chidgey (Eastleigh): I shall be brief because I know that other hon. Members want to contribute to the debate. My colleagues and I support the principles behind the working time regulations because we believe that sensible, well-designed regulations that preserve individual choice and guarantee minimum working conditions are an essential part of a modern industrial democracy.

We disagree with the Government on the manner in which the regulations have been introduced. These ground-breaking regulations are controversial in some sectors of the economy. Industry, commerce and the unions have concerns and fears about the way in which they will be implemented. All those issues could have been dealt with in a proper debate in Parliament at the right time. That is why I introduced early-day motion 1601 not at the end of the Session, but on 23 July 1998, with a full week left before the recess. Sadly, there was no response from the Government.

I have always understood that statutory instruments are used when it is necessary to introduce non-controversial legislation that does not require full debate in Parliament. We know that these regulations are controversial and that industry and commerce have concerns about them. The Government should have made the effort to have a proper debate in Parliament before the regulations were introduced. Many of the problems highlighted by industry and commerce could have been dealt with, and Ministers could have provided clarification in the proper forum. That would have helped the implementation of the regulations to proceed more smoothly.

Officials in the Department of Trade and Industry are still unable to answer basic questions about how the regulations should be implemented. What is working time? What is travel time? The classic example is when one is asked to go from London to a meeting in Edinburgh. If one takes the overnight sleeper to arrive in Edinburgh for a morning meeting, is the travelling part of working time or is it one's own time?

Mr. Hogg: Will the hon. Gentleman give way?

Mr. Chidgey: There is little time left and I must continue.

Another example is when one is asked to take a client out for lunch or dinner. Is that entertainment in one's own time or is it working time? I hope that the Minister can clarify those issues. He must be aware of them. I am sure that many people have taken him out for lunch and asked him whether they are working or entertaining him. I mean that in the nicest possible way; I do not want to comment on his figure—perhaps there is another reason for that.

The hon. Member for Corby (Mr. Hope) said that agency workers were exploited and told that they would lose their jobs. There is now an obligation on agencies to provide their workers with paid holidays. I agree with that measure, but it has a knock-on effect. Are employers who currently take on agency workers on long-term contracts prepared to recognise the additional costs that the agencies will have to bear through fixed-price contracts? Will they renegotiate? My worry is that Government Departments that use agency workers are reluctant to accommodate the increased costs faced by bona fide good agencies.

I shall give some examples of concerns in my constituency related to whether industries are able to claim exemptions. Eastleigh has three major bakeries serving the region. The baking industry has a long tradition of night working. I am told that it is essential, in order to keep the baking process running on a 24-hour basis to produce the goods that serve the community. I add that night workers in my constituency are not being exploited or coerced into working night shifts, which are well established. Eastleigh has only 3 per cent. unemployment, which, statistically, is zero unemployment, so people are not being forced into those jobs. Will the baking industry be exempt?

Mrs. Ray Michie (Argyll and Bute): My hon. Friend has referred to bakeries, but very little has been said about the fishing industry. We have established that the industry has exemptions, but the Minister said that they were negotiated separately. We need clarification about whether those negotiations have been completed and whether it is absolutely certain that self-employed share fishermen will be exempt. They cannot stick to inflexible working hours when they are doing dangerous fishing work and competing with the elements.

Mr. Chidgey: I thank my hon. Friend for that intervention. I am sure that the Minister will respond to it.

Those who want to be able not to work on Sundays are concerned that the 14-day contract laws will weaken their position. Perhaps the Minister will clarify that.

There is confusion among those who will have to work and abide by the regulations. Apart from the need for clarification, the main concern is that unscrupulous employers have the opportunity to find loopholes in the legislation. We have already heard some examples. I have heard of employees being threatened that their contracts will be reviewed and their pay and conditions changed if they do not sign up to an exemption from the 48-hour rule. Many people are employed on conditions that say that they will work for more than 48 hours a week. What will happen to them if they sign up to working 48 hours? Will pay cuts be imposed on them? That is not what we want.

I know of one employer who has suddenly changed the calendar. As far as he is concerned, his employees now work on a 54-week year. That is a neat way of reducing the hours worked per week to less than 48.

There is muddle, confusion and ambiguity. I do not want the regulations to create a field day for lawyers. We have already heard predictions of a spate of

[Mr. Chidgey]

industrial tribunal cases. We do not know how tribunals will react. I am concerned that many firms legitimately trying to operate the regulations correctly could find that they have unintentionally broken the law. We support sensible, clear working time regulations, but the Government have a long way to go to address the genuine concerns of those who will have to operate them.

I would appreciate more guidance from the Minister on how the regulations should be implemented and how the concerns will be addressed. If he cannot do that tonight, I should like a commitment to providing additional information to help people to follow the law.

8.11 pm

Mr. Bill Rammell (Harlow): The working time directive is an important step in creating a fairer, safer and more productive workplace, based on partnership rather than conflict and exploitation. In that spirit of partnership, it is important to make it clear that employees have the right to work beyond 48 hours if they want. We have heard tosh and nonsense from the shadow Secretary of State about the hours that the Speakers or Members of Parliament work. That is an erroneous point.

I am not a dewy-eyed romantic who believes that workers and trade unionists are never wrong. Before the election, I was a senior manager in the public sector and had direct responsibility for some low-paid employees. I understand the frustration caused by the need for adaptability and flexibility in the workplace. However, that adaptability and flexibility needs to be underpinned by a shared commitment and enthusiasm.

In government, the Conservatives rejected that balance and fairness. Their track record in the 1980s was one of dismantling legislation that provided protection for working people, particularly on working hours. The message this evening from the Conservatives is that in no circumstances can social costs borne by an employer to comply with legislation be justified, yet even the Tory party acknowledges that in certain circumstances, employment legislation is necessary—on health and safety and the right to go to an industrial tribunal.

If the principle that there are circumstances in which it is legitimate to have employment legislation is accepted, the issue at stake is how much legal protection for employees is compatible with the need for flexibility, greater productivity and the desire to create jobs. That should be the subject of a mature debate, not the knockabout party posturing that we have heard in the House this evening. The Conservatives are saying that any regulation in the workplace is wrong.

I am not saying that we should return to some of the restrictive practices of the past. However, the pendulum swung too far in favour of the employer against the needs of the employee in the 1980s.

Mr. John Smith (Vale of Glamorgan): Does my hon. Friend recognise that that pendulum swung back further in some regions than in others? The terms and conditions of employment in Wales are among the worst in the United Kingdom. The proposal will be welcome in the Principality.

Mr. Rammell: Some regions suffered more than others, and the measure will be welcome.

The working time directive must be judged on the balance between the need for the measure and the extent to which it may have adverse consequences. There is certainly a need. Britain works the longest hours in Europe. There is evidence from the CBI that absenteeism in the workplace costs £25 billion a year. The health risks of long working hours are well documented. There are many costs to family life and other factors that need to be taken into account.

Given all those adverse consequences, we have to ask whether long hours bring higher productivity. The answer is emphatically no. We work the longest hours in Europe, yet our productivity levels are far worse than those of Japan, the USA, France and Germany. There is evidence from the engineering industry in the early 1980s that a negotiated reduction in working hours can lead to higher productivity and the creation of further jobs.

Finally, I should like to deal briefly with some of the arguments by the Conservatives this evening. We have been accused of sneaking the legislation out. How can we sneak out a measure that we said explicitly in our manifesto that we intended to deliver? We are accused of caving in to the European Commission. How can we cave in on a measure that we have advocated and said that we intend to implement? That is nonsense. The Conservatives have put forward a series of contradictions. It is just party posturing. We have heard a lot about job losses. If the shadow Secretary of State has any evidence that any of the job losses that we have heard about recently are directly attributable to the 48-hour working week, he should stand up now and justify his comments. He cannot, because he has no evidence.

The measure is about fairness, partnership and creating the conditions for higher productivity. I welcome the fact that the Government are bringing it forward.

8.17 pm

Mr. John Gummer (Suffolk, Coastal): When such a change is proposed, it is first reasonable to ask that the House should have time to discuss it before it is put into operation. I do not find many of the extreme arguments about the measure persuasive, but our ability to discuss the issue is important.

Secondly, if we are to have such legislation, it should be introduced in as user-friendly a way as possible. As hon. Members on both sides know, many people around the country have found the way in which the legislation is being implemented confusing and less user-friendly than it could have been.

Thirdly, while I am not suggesting that the Government should change their view—they fought an election on the issue—I wonder whether they could have argued in the European Community for lighter regulation, even in the areas in which there might have been disagreement between us.

Fourthly, I wonder whether the Government have betrayed their cause. They say that the legislation will not be as onerous as the Conservatives have suggested, because, just as the minimum wage is so low that it has caused great criticism outside, they have made sure that the working time directive has many exemptions. What have we heard from the Liberals? They have asked for exemptions for group after group. If the principle is right, it is extremely difficult to understand why we must rush in to stipulate this exemption or that exemption.

In general, I do not find any objections to the working time proposals; they are perfectly reasonable. I object to the fact that they are enshrined in legislation and regulations that will impose considerable extra cost on business. I do not worry too much about extra costs that result in people getting a better deal. I worry about the extra costs that the Government impose; they are expensive.

Such extra costs are being imposed in areas where there is no possibility of recompense. My right hon. Friend the Member for Wokingham (Mr. Redwood) referred to local authorities. He was—I hope, not purposely—misunderstood by the hon. Member for Liverpool, Garston (Maria Eagle). He was saying that, if costs rise as a result of the directive, for reasons with which the hon. Lady would be happy, the local authority that has to pay the extra cost of placing old and vulnerable people in nursing homes must either receive more money from the Government or be able to place fewer old and vulnerable people. There may well be a very good answer to this problem; I am sure that the Minister will give it.

I do not understand why we have not had a proper debate before now, so that the reasonable worries and criticisms of people like myself, who are perfectly moderate on the issue, have no antagonism toward the European Union and think that, in general, such directives are not quite as dreadful as they sometimes seem, can be met. It is another example of the House being bypassed—as it has been on almost every issue. That is why I intervened on the Secretary of State for Trade and Industry when he was in the Chamber for a short period. The Government think that the way in which to do business is to speak to the press and not to Parliament. In that way, the view given to the public is not the one that Parliament has debated, but the one that is spun to the press.

We are a parliamentary democracy. Those of us who believe in parliamentary democracy, even if we are not overwhelmed by this subject, must stand up time and again to demand that the House debates such questions, so that it takes the decisions and is able to help the Government to be a better Government. The press will not help this Government to be a better Government, but the Opposition can if there are debates rather than periods of an hour and a half in which the matter is not sufficiently discussed.

8.22 pm

The Minister of State, Department of Trade and Industry (Mr. Ian McCartney): I shall try my best in the time available to answer the questions of right hon. and hon. Members. I give a commitment that I will write to them on the specific points that I do not answer in my speech.

I shall first deal with the question of the hon. Member for Argyll and Bute (Mrs. Michie) about share fishermen. The issue will be the subject of consultation with the industry. We shall make submissions based on the appropriateness of any measure to specific industries. We did of course exempt share fishermen from the national minimum wage on the basis that they are self-employed. I hope that that assists the hon. Lady. Following consultation on all possible excluded sectors, the Government will make proposals in a way that meets the needs of particular industries.

If the hon. Member for Eastleigh (Mr. Chidgey), who raised the issue of bakers, does not mind my saying so, he cannot have his cake and eat it. He cannot on the one hand say that he supports the proposals and on the other say that he wants this or that to be excluded. The baking industry is covered by the regulations.

The right hon. Member for Wokingham (Mr. Redwood) raised questions in respect of the House and its staff. His comments about the Speaker seemed flippant, given that the holder of that office is not covered by a contract of employment. The staff of both Houses of Parliament are covered by the proposals.

The right hon. Member for Suffolk, Coastal (Mr. Gummer) raised questions about parliamentary scrutiny. As a member of the previous Government, he will know that, in 1972, the then Conservative Government passed the European Communities Act, which provides for European directives to be implemented by statutory instrument. All directives, including this one, have been scrutinised by the Select Committee on European Legislation. There has been public consultation on implementation—of two directives, if the previous consultation conducted by the Conservative Administration counts. *[Interruption.]* I am not running away from the debate. Indeed, I am absolutely delighted that we can debate these issues.

Mr. Hogg: Will the hon. Gentleman give way?

Mr. McCartney: No, I have barely begun my speech.

Mr. Hogg: Will the hon. Gentleman give way?

Mr. McCartney: No.

The Government are very proud of the fact that, within 18 months of coming to power, they have ensured that 3 million workers in Britain who did not get a holiday will receive one. Protection is being introduced.

The speech of the right hon. Member for Wokingham was hysterical. It was mostly trivia, and came from a member of a previous Government under whom a business went bust every three minutes, and 10 million people in England alone were unemployed at least once. Yet now he comes to the Dispatch Box and tries to trivialise issues around fairness in the workplace. The debate, and his 25-minute tirade, explain why Labour Members sit on the Government Benches and the Tories are in opposition.

Mr. Redwood *rose—*

Mr. McCartney: Listen first of all!

The debate has highlighted the different values of the parties: exploitation versus fairness, no respect versus respect, hire-and-fire culture versus partnership, bad employers versus good employers. The right hon. Gentleman used to work for Baroness Thatcher, who once coined the phrase that there was no such thing as community. He has coined another phrase: there is no such thing as fairness in the workplace. He said clearly that the Conservative party is on the side of poor employment practice. He should answer whether, at the next election, his party would remove the rights that this directive provides for many millions of British workers.

Mr. Redwood: I made it very clear that the Conservative party wants rising standards at work and

[Mr. Redwood]

better quality of employment. We have our ways of achieving that, which happen to be different from those of the Government. I repeat the question that the Minister does not want to answer. Given that better standards of work in nursing homes will cost money, will the Government pay for those better standards or throw old people on the street?

Mr. McCartney: The Government have put £21 billion extra into health and social care, which were underfunded by the previous Government, who created a crisis in both public and private sector community care. The right hon. Gentleman argues that vulnerable elderly people, disabled people and young children with special needs should be looked after by a work force who are falling on their knees through tiredness from working excessive hours. What a scandal!

Mr. Redwood: Will the hon. Gentleman give way?

Mr. McCartney: No, I will not give way. The right hon. Gentleman had 25 minutes to speak. He berates the Government but he cannot take the truth when we set it out. The argument he put before the House is quite clear: he would support employers in the care sector who exploit their workers to the point that proper medical and social care needs are put at risk.

This Government believe in fairness. We believe that workers should enjoy basic protection against exploitation by unscrupulous employers. We recognise the fundamental imbalance in the relationship between worker and employer in the workplace where, on some occasions, workers need support. I thank my hon. Friends who have participated in the debate. In their short speeches, they have set out clearly why the legislation is necessary.

We recognise that providing such protection is not necessary for the majority of employees, but that such protection must apply to workers equally. It is important that good employers should not be undercut by bad ones who profit by exploiting their workers. That is not good for competitiveness or the United Kingdom in the long run.

In government, Conservative Members tried to create a Britain that was the sweatshop capital of Europe. We want to be the investment and production centre of Europe, based on high standards. We are therefore committed to creating a flexible labour market that is underpinned by fair minimum standards. The first step was the national minimum wage legislation; implementation of the proposals in the White Paper "Fairness at Work" will follow. Implementation of the working time directive represents another major stepping stone.

The regulations provide seven new rights. No worker can be forced to work more than an average of 48 hours a week. There is a right to paid annual leave of three weeks, rising to four weeks. Would the right hon. Member for Wokingham and his colleagues withdraw that right from the 3 million workers who will benefit from it for the first time? Will there be a wage cut under the Tories, as they withdraw the minimum wage and paid holidays?

Mr. Ian Bruce *rose—*

Mr. McCartney: Sit down.

There are rights to rest breaks during the working day. There are rights to rest periods from work, including the right to a day off a week. My God, who would object to someone having a day off a week? [HON. MEMBERS: "They would."] Only the Conservatives. There is special protection for night workers, including a right to health assessments. There is special protection for young workers. Moreover, there is protection from unfair dismissal or detriment for asserting those rights.

The Working Time Regulations 1998 provide protection for the most vulnerable workers and enable them to enjoy rights similar to those that the majority of workers in the United Kingdom and the rest of Europe already have. About 90 per cent. of workers in this country already have paid annual leave. Why are the Tories campaigning to prevent the other 10 per cent. having the same rights?

It takes the biscuit when the right hon. Member for Wokingham argues for 25 minutes against the proposals when he has had, typically, 16 weeks leave this year, paid for by the British taxpayer.

Mr. Redwood *indicated dissent.*

Mr. McCartney: I shall take some examples of cases of the type that the right hon. Gentleman and his colleagues believe should not be helped. A lady writes to me:

"My husband works for a large medical company and has for the past 2 years worked on average 51 hours a week. During this period he has been off sick twice through stress and exploitation".

A contract cleaner in Oxford wrote to the Prime Minister:

"I would like in due course, if it's within your power, that we should all have at least two weeks fully paid holiday a year".

We have given her that commitment.

A lady from Sussex wrote to me about her daughter, who must work long hours and double shifts without proper breaks and is subjected to abuse by the manager. The regulations will combat such exploitation.

Mr. Redwood: Will the hon. Gentleman give way?

Mr. McCartney: No. The right hon. Gentleman had 25 minutes.

Mr. Redwood: The hon. Gentleman should give way instead of talking fiction.

Mr. McCartney: The right hon. Gentleman does not like to hear the truth. As someone who was a member of a Government who could not tell the truth, he does not like to hear it.

Mr. Ian Bruce: Will the hon. Gentleman give way to someone who has not even had a single minute?

Mr. McCartney: You are not worth a minute.

That type of exploitation—*[Interruption.]*

Mr. Deputy Speaker (Mr. Michael Lord): Order. The Minister has indicated that he will not give way at the moment.

Mr. Bercow: He cannot take it.

Mr. McCartney: Oh, I can take it, all right; I am enjoying myself.

For the first time in a long time, we have a Government who are prepared to stand up for workers' rights against Conservative Members' bully-boy tactics. As we reach the end of the century, we cannot continue the long hours culture—long hours, low pay, low esteem. Employers do not want it; we do not want it. The only employers who want it are the employers who side with the Conservatives—those who want to exploit their work force for an advantage in the marketplace against other employers. This is not just a social issue; there is a strong business case for these proposals.

The right hon. Member for Wokingham spoke about costs. In the last year of the Conservative Government, the Confederation of British Industry estimated that £25 billion was lost to the economy as a result of unregulated absenteeism because of the sweatshop economy that the Conservatives controlled. Another £1.8 billion was lost as a result of high staff turnover—in sectors where the greatest number of jobs is lost due to low status and low morale.

The proposals before us will cut that huge loss to the British economy, and allow employers to compete on quality, but not by pursuing a downward spiral of wages and conditions. The Government are not the only ones who hold that opinion. The consultation was interesting. I quote the views of some employers.

"The Institute of Personnel and Development believes that the current proposals represent a significant improvement on those contained in the consultation document issued by the last Government. In many areas, the new document takes account of comments made . . . on issues that are important to the practicality of the Directive's provisions and their acceptability to both employers and employees."

Manpower, a big agency employer, said:

"Most notable for us has been Peter Mandelson's recent arrangement concerning the Government's intentions to respect temporary workers. Giving them the minimum pay, the working time regulations and 'Fairness at Work' achieves a major step forward in establishing minimum standards across the UK work force."

I could go on and on and on, quoting employers who support the proposals.

Mr. Redwood: Will the hon. Gentleman give way?

Mr. McCartney: No; I am not giving way.

Following the consultation, small business employers telephoned the Department, expressing their pleasure that at last they would compete on a level playing field, instead of against employers who undercut them by exploiting their work force. Good employers in this country overwhelmingly support the proposals.

The right hon. Member for Wokingham spoke about record keeping. There are no over-burdensome bureaucratic record-keeping requirements. Employers need not keep records for entitlements to paid annual leave, rest breaks, daily rest or weekly rest. They need not monitor and record every hour that a worker works. They merely have to be able to show that they have complied with the limits, and how they do so is up to them. *[Laughter.]* Many employers—*[Interruption.]* Hon. Members should listen. Many employers already have records showing the hours that their workers have worked, and that relates to their normal business practice.

The Health and Safety Executive has said that, in other circumstances, it would be sufficient to have robust management systems that can show when workers are in danger of working close to the limit, and so take steps to monitor those workers more closely.

Mr. Andrew Lansley (South Cambridgeshire) *rose—*

Mr. Gummer *rose—*

Mr. McCartney: There is a slight anomaly—a requirement of the directive that hourly records be kept for workers who have agreed to work in excess of the 48-hour weekly working time limit. However, I make it perfectly clear that that is the result of the previous Government's woeful and bungled negotiations in 1993. If anyone is responsible for imposing unnecessary red tape on business, it is the Conservative party, because the Conservatives carried out the negotiations before the general election.

Mr. Gummer: Will the hon. Gentleman give way on that point?

Mr. McCartney: No.

I shall make a few points on the timing of implementation of the regulations. Some recent comments—

Mr. Ian Bruce: On a point of order, Mr. Deputy Speaker. Clearly, the Minister is concerned about the time limits that have been artificially set on the debate. Our normal working time in the House continues until 10 o'clock. Do you have any power, Mr. Deputy Speaker, to allow the debate to continue until 10 o'clock, so that we may vote at our usual time, and so that the Minister may give way in the usual fashion?

Mr. Deputy Speaker: The length of the debate is regulated by Standing Order. The hon. Gentleman is only wasting more time.

Mr. McCartney: The hon. Gentleman also took up time at the start of the debate in fruitless points of order.

I should like to make a few points in relation to the timing of the implementation. Some recent comments make me wonder whether some Conservative Members have been asleep for the past 18 months. The working time directive is no secret that has been sprung on an unsuspecting world. The directive was agreed under the previous Government in 1993. It was due to be implemented by November 1996. However, all the previous Government did was try to buy time, leaving business uncertain, and spending taxpayers' money on futile attempts in the European Court to prevent the implementation of the directive.

What were the Tories preventing being implemented? Basic minimum standards for 3 million workers in Britain to have the right occasionally to say to their employer, "I am not working 80 or 90 hours a week. I want a break; I want a rest. I think that I am entitled, at the end of the century, to some holiday pay." That is what the previous Government tried to prevent by using taxpayers' money in a court case.

[Mr. McCartney]

Belatedly, at the end of 1996, forced and humiliated by the European Court, the previous Government issued a vague consultation document that made the situation no clearer. It has been left to the present Government to sort out the mess that they left us. We said in our manifesto that we would implement the directive. The timetable for implementation was announced to Parliament in February. We consulted on detailed proposals, including draft regulations, in April. The finalised regulations were laid before Parliament on 30 July, and came into force on 1 October.

It should be remembered that the implementation directive is already two years overdue because of the incompetence of the previous Government. We all know that the Conservatives, as has been confirmed tonight, do not want people in Britain to be rewarded with proper rest and paid holidays. During the debate, an Opposition Member advocated pay of £2 a day to replace the national minimum wage.

As a legacy of the previous Government, there are workers in Britain who must work 100 hours a week for minimal rates of pay. The working time directive, alongside the national minimum wage, will start to end the cycle of deprivation and exploitation in the work force. The Government are committed to a positive relationship with Europe and take their treaty responsibilities seriously. It has been necessary to take prompt action to rectify the neglect of the previous Administration.

There has recently been correspondence from hon. Members expressing concern about the so-called 12-day working week. I shall clarify the matter now. It is totally misleading to suggest that the regulations diminish the rights of workers or place them in a more vulnerable position in terms of "Sunday Special" arrangements. The regulations include a right to a day off a week, which may be averaged over a period of two weeks. That is a new right. Workers had no such right to a day off until 1 October this year. Therefore, I fail to see how the arrangement could do anything but improve the lot of workers.

The right to a day off may be averaged over a period of two weeks to allow flexibility and avoid unnecessary burdens on business. In most cases, rest will be taken on a weekly basis, but certain industries require differing and fluctuating work patterns that are not conducive to such a standardised arrangement. That flexible approach received widespread support in the responses to the consultation on the draft regulations.

The Government believe that the regulations provide minimum fair standards of protection for workers exploited by unscrupulous employers. Such rights have been denied to workers in this country for far too long. That is due to the Opposition, who continue to try to deny others the rights that they enjoy, such as paid leave. There has been ample time for consideration of the measure. I hope that the House will support me in opposing the motion.

Mr. Deputy Speaker: The Question is—

Mr. Hogg *rose—*

Mr. Ian Bruce *rose—*

Mr. Deputy Speaker: Order. I am about to put the Question.

Mr. Ian Bruce: On a point of order, Mr. Deputy Speaker. Surely the hour and a half is not up yet.

Mr. Deputy Speaker: The hour and a half is very nearly up. If the mover of the motion had chosen to respond at the end of the debate, that would be in order. The Minister has responded to the debate and I am about to put the Question.

Several hon. Members *rose—*

Mr. Redwood: On a point of order, Mr. Deputy Speaker. I allowed my hon. Friend the Member for South Dorset (Mr. Bruce) to intervene. He has been present for the entire debate and had important points to make, but he has been squeezed out by the Minister. I would regard it as a great courtesy if he were able to make his points.

Mr. Deputy Speaker: I have already pointed out that it must be the mover of the motion who responds to the debate on that motion.

Mr. Redwood *rose—*

Mr. Deputy Speaker: Order. I have dealt with that point of order and I shall now put the Question.

Mr. Hogg *rose—*

Mr. Deputy Speaker: Order. I shall put the Question.

Question put:—

The House divided: Ayes 129, Noes 358.

Division No. 368] **[8.43 pm**

AYES

Amess, David
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Atkinson, Peter *(Hexham)*
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Body, Sir Richard
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brady, Graham
Brazier, Julian
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clappison, James
Clark, Dr Michael *(Rayleigh)*
Clifton-Brown, Geoffrey
Collins, Tim
Colvin, Michael
Cormack, Sir Patrick
Cran, James
Curry, Rt Hon David
Davies, Quentin *(Grantham)*
Day, Stephen
Duncan, Alan
Duncan Smith, Iain
Emery, Rt Hon Sir Peter
Evans, Nigel
Faber, David
Fabricant, Michael
Flight, Howard
Forth, Rt Hon Eric
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Gale, Roger
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hammond, Philip
Hawkins, Nick
Hayes, John
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
Jenkin, Bernard
Johnson Smith, Rt Hon Sir Geoffrey
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter
MacGregor, Rt Hon John
McIntosh, Miss Anne

Maclean, Rt Hon David
McLoughlin, Patrick
Major, Rt Hon John
Malins, Humfrey
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Prior, David
Randall, John
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Rowe, Andrew *(Faversham)*
Ruffley, David
St Aubyn, Nick
Shephard, Rt Hon Mrs Gillian
Smyth, Rev Martin *(Belfast S)*
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Townend, John
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Walter, Robert
Waterson, Nigel
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Ayes:
Sir David Madel and
Mrs. Caroline Spelman.

NOES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allan, Richard
Allen, Graham
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atkins, Charlotte
Austin, John
Baker, Norman
Banks, Tony
Barnes, Harry
Barron, Kevin
Bayley, Hugh
Beard, Nigel
Begg, Miss Anne
Beggs, Roy
Beith, Rt Hon A J
Bell, Martin *(Tatton)*
Bell, Stuart *(Middlesbrough)*
Benn, Rt Hon Tony
Bennett, Andrew F
Benton, Joe
Bermingham, Gerald
Berry, Roger
Best, Harold
Betts, Clive
Blears, Ms Hazel
Blizzard, Bob
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brand, Dr Peter
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Butler, Mrs Christine
Byers, Rt Hon Stephen
Caborn, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Menzies *(NE Fife)*
Campbell, Ronnie *(Blyth V)*
Campbell–Savours, Dale
Canavan, Dennis
Caplin, Ivor
Casale, Roger
Caton, Martin
Chaytor, David
Chidgey, David
Chisholm, Malcolm
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Connarty, Michael
Cook, Frank *(Stockton N)*
Cook, Rt Hon Robin *(Livingston)*
Cooper, Yvette
Corbett, Robin
Cotter, Brian
Cousins, Jim
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunliffe, Lawrence
Cunningham, Rt Hon Dr Jack *(Copeland)*
Cunningham, Jim *(Cov'try S)*
Cunningham, Ms Roseanna *(Perth)*
Dalyell, Tam
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dean, Mrs Janet
Dismore, Andrew
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Ewing, Mrs Margaret
Fatchett, Derek
Fearn, Ronnie
Field, Rt Hon Frank
Fitzpatrick, Jim
Fitzsimons, Lorna
Flint, Caroline
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael J *(Worcester)*
Foulkes, George
Fyfe, Maria
Galloway, George
Gapes, Mike
Gardiner, Barry
Gerrard, Neil
Gilroy, Mrs Linda
Godman, Dr Norman A
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Gorrie, Donald
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Heal, Mrs Sylvia
Healey, John
Henderson, Ivan *(Harwich)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Kate
Hood, Jimmy
Hope, Phil
Hopkins, Kelvin
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Hughes, Simon *(Southwark N)*
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Nigel *(Cheltenham)*
Jowell, Ms Tessa
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Keetch, Paul
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
Kilfoyle, Peter
King, Ms Oona *(Bethnal Green)*
Kingham, Ms Tess
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Linton, Martin
Livingstone, Ken
Livsey, Richard
Lloyd, Tony *(Manchester C)*
Llwyd, Elfyn
Lock, David
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
McLeish, Henry
McNamara, Kevin
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mandelson, Rt Hon Peter
Marek, Dr John
Marsden, Gordon *(Blackpool S)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Martlew, Eric
Maxton, John
Meale, Alan
Merron, Gillian
Michael, Alun
Michie, Bill *(Sheff'ld Heeley)*
Michie, Mrs Ray *(Argyll & Bute)*
Miller, Andrew
Mitchell, Austin
Moonie, Dr Lewis
Moore, Michael
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*

Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Rt Hon John *(Aberavon)*
Mountford, Kali
Mowlam, Rt Hon Marjorie
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
O'Neill, Martin
Öpik, Lembit
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prescott, Rt Hon John
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Rt Hon Dr John *(Hamilton N)*
Roche, Mrs Barbara
Rogers, Allan
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Roy, Frank
Ruddock, Ms Joan
Russell, Bob *(Colchester)*
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Salter, Martin
Sanders, Adrian
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Shipley, Ms Debra
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Steinberg, Gerry
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Swinney, John
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Temple-Morris, Peter
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Twigg, Derek *(Halton)*
Vaz, Keith
Vis, Dr Rudi
Wallace, James
Walley, Ms Joan
Ward, Ms Claire
Wareing, Robert N
Watts, David
Webb, Steve
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Wigley, Rt Hon Dafydd
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Willis, Phil
Wilson, Brian
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Wood, Mike
Woolas, Phil
Worthington, Tony
Wray, James
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

Tellers for the Noes:
Mr. Greg Pope and
Mr. Keith Hill.

Question accordingly negatived.

Russia

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Kevin Hughes.]*

8.56 pm

Mr. Paul Keetch (Hereford): I am pleased to initiate my second Adjournment debate since my election on an international subject that is very close to my heart. I chose to debate this topic tonight as a result of an Inter-Parliamentary Union trip that I made to Russia last June. The right hon. Member for Manchester, Gorton (Mr. Kaufman) led the trip, to Moscow and St. Petersburg, and I am delighted to see several members of that delegation in the Chamber tonight. The right hon. Gentleman and some other members of the delegation were returning to Russia, but it was my first visit to that country. They were able to see the changes that had taken place since their previous visits, while I could only look on in wonder.

To understand the economic crisis now befalling Russia, one must understand the political crisis. If one were to ask schoolchildren the date of the Russian revolution, they would answer "1917". However, the revolution of perestroika, begun in the late 1980s by Mikhail Gorbachev, is far and away the greatest change that Russian society has seen this century. That revolution brought so much political change so quickly that the political crisis that followed it has now led to economic catas[illegible]

Mr. Nigel Jones (Cheltenham): Would my hon. Friend care to speculate on what the history books will make of Mikhail Gorbachev? Some people see him as the man who changed the world, but the Russian people who voted in the last presidential election gave him only 1 per cent. of the vote—so they are not happy with him. I had the privilege of meeting Mikhail Gorbachev in 1993 when he visited my constituency. What does my hon. Friend make of the long-term view of what Mikhail Gorbachev has done to a once great super-power?

Mr. Keetch: I think that Mikhail Gorbachev will be remembered slightly better by history than the present president, President Yeltsin. Russia is the one place in the world where I would not advocate that people vote Liberal Democrat. It is somewhat embarrassing every time a Liberal Democrat visits that country.

The revolution that brought so much political change has led to an economic crisis in Russia. In short, the transition that the United Kingdom effected over hundreds of years—the transition from absolute ruler to democracy—has taken place in Russia in under a decade. It is no wonder that there are problems. It is interesting to examine what has changed. Russia has gone from a super-power surrounded by client states, with power vested in a few people, to a country by itself. In doing so, it has lost many of its more prosperous and plentiful territories. It has been stripped of much of its international pride and position. It has seen the dismantling of the military economic machine that used to drive it. In short, Russia is now regarded by the world as the loser in the cold war.

With no democratic tradition to fall back on, it is not surprising that, in 10 years, such dramatic change has been less than smooth. The reforms that President

Gorbachev introduced, ending in the coup that almost toppled him, resulted in the end of the Soviet Union in 1991. The changes to the constitution forced upon parliament by President Yeltsin ended in his troops shelling Parliament in October 1993. The subsequent rivalry between the Duma and the president continues today. These are some of the factors that have formed a breeding ground for economic chaos.

Boris Yeltsin's health, too, declining during this period, has led to a situation today which would have been, for many Russians, unthinkable only a few years ago—a Russian president who is the butt of jokes at home and abroad, a living embarrassment to all Russians. It is no exaggeration to say that the Russian economy today is as sick as the Russian president.

It is sometimes difficult to make comparisons, but the output of Russia now is barely half what it was in 1989. Officially, central Government expenditure this year was set at 500 billion roubles, with revenue coming in at just 367 billion roubles. In other words, that is Government expenditure of £17.5 billion with an income of just £13 billion. That deficit would be bad enough, but in reality nothing like that revenue has been achieved. Add to that the crippling debt burden of 121 billion roubles a year, and the crisis was inevitable.

Mr. Lembit Öpik (Montgomeryshire): Would my hon. Friend agree that the sad tale that he describes for Russia is almost the opposite of the success stories of the recovering economies such as Estonia, which broke free from the Soviet Union? Does he agree that, as Estonia develops, links with western Europe should be built? At the same time, my hon. Friend will know that there are concerns in the Baltic states that Russia might cast an ominous eye again. Does he agree with the adage that people who live in glasnost should not throw Estonians?

Mr. Keetch: My hon. Friend is well known for his sense of humour and Estonian connections. I have visited the Baltic states, and have been to Lithuania on two occasions. I know of the enormous success and leaps forward of some of the Baltic economies. Estonia is a shining example, and we should certainly support its economy.

The crisis in Russia is far from over. The Morgan Stanley Dean Witter brief on the Russian economy recently highlighted industrial production in August down by 8.5 per cent. The economic growth forecasts that it was suggesting, being at the bottom range of minus 2 per cent. for 1998 and 1999, are being revised downwards to minus 5 per cent. for this year and minus 10 per cent. for next year.

In the cities such as Moscow and St. Petersburg that I and my colleagues visited, the semblance of Russian economic prosperity exists. There are McDonald's restaurants, expensive shops and advertising, all features of the Russian scene that are new over the past few years. However, it is not necessary to go far from the city centres to come across vast Soviet-style tenement blocks where millions of people live. These are huge, cold and dark buildings, often with no electricity or water supply. These are the hovels which ordinary Russians call home.

In St. Petersburg alone, the population has fallen by more than 600,000 since the early 1990s. People have moved into the country to try to find food. Those who stay have their own allotments. They try to grow what they can. However, the search for food is a desperate one. Life in the provinces is even worse than that in the cities.

Anybody who has seen a second world war film, especially about prisoner of war camps, will have heard about Red Cross parcels. Yet today the Red Cross is trying to launch a £10 million appeal for food for Russia. It is distributing Red Cross food parcels to people who cannot feed themselves in Russia. This once great super-power now receives international food aid.

Medicine, too, is in short supply. Shortages of basic medicine have led to a huge rise in diseases that we in the west long thought had disappeared. Poor diet and even starvation have led to huge numbers of Russians dying from economic neglect. Last year alone, more than 10,000 prisoners in Russian gaols died of illness. The life expectancy of the Russian male is now below 60. In all, last year, almost 25,000 Russians died of tuberculosis, and another 2 million are infected. Even so, in Moscow four hospitals are kept just for Members of Parliament, bureaucrats and army chiefs, ensuring that the elite remain healthy. Even bank robbers in Russia now go short. In a recent break-in at the Vimpel bank in central Moscow, thieves got away with the total takings of just 13,000 roubles—about £120.

Perhaps the biggest and most widely talked about of the economic problems is the late payment of salaries. Wage arrears in the public sector are estimated to be around £750 million, resulting in despair for hundreds of thousands of families. Doctors, nurses and teachers go unpaid. In Russia today, people strike not for better pay, but simply to be paid.

The story is similar for state pensioners, and even in the armed forces salaries are sometimes not paid. Wage arrears were supposed to have been stopped last July, but in reality still exist. Stories of soldiers selling off their weapons and equipment to terrorists for money to live are not exaggerated. Not surprisingly, that has led to huge discontent in the army—no wonder, in a country where officers and their families sleep four to a room.

In 1997 alone, 304 murders were recorded in the Russian armed forces, and, following the Chechen military debacle which shook Russian military confidence, the economic crisis has hit the once proud Red Army. An army that once defeated Hitler's Nazis is now at rock bottom. There is no money for research and development, training is minimal, and exercise is unknown. Reductions in manpower in the Russian armed forces are huge, with some 300,000 officers and non-commissioned officers a year being made redundant. It is interesting that the Interior Ministry troops who were so loyal to President Yeltsin in 1993 are still being paid, but no one today believes that they would once again rush to his aid should he need it.

Even the environment is against the Russian economy. In one region of southern Russia, Kalmykia, more than 25 villages have had to be abandoned in the past 20 years due to the spread of a desert. An area the size of Belgium is now sand.

What can we do? One thing that anyone who knows Russia will tell us is that the Russian people have long memories. Other countries may abandon Russia and other Governments pull their people out, but we in the United Kingdom must not. We owe it to the Russian people and to world stability to ensure that the Russian foray into

[Mr. Keetch]

democracy is a success. We must preserve the rule of law in Russia, because, if we do not, we shall simply see the rule of terror.

Helen Jones (Warrington, North): Does the hon. Gentleman agree that in Russia there is a great sense of friendship towards Britain, and that, as one of the major problems affecting the Russian economy is massive tax evasion and the influence of organised crime, that is one area in which that friendship could be used to assist the Russian people to tackle those problems in order to move their economy forward?

Mr. Keetch: The hon. Lady is absolutely right. She well knows the plight of the Russian people, having, like me, been a member of the IPU delegation. I am not necessarily calling for more monetary aid, but the kind of schemes that she has suggested—she is involved in schemes with the British Council—would do much to help support Russia.

When we were there, we saw the people who might lead Russia should the Russian foray into democracy fail—former Communists who believe that the Soviet-style planned economy did work, nationalists who believe that President Yeltsin illegally gave independence to Russian territories and who want those territories back. We even met liberals who talk about NATO expansion as a real threat to mother Russia. Madam Speaker has similarly returned from Russia, having met many of the same people.

I did not initiate this debate to obtain answers, because we may not be able to give them, but the House must make it known to democrats throughout Russia that we will not abandon them. Our Government must re-emphasise their pledge to support British programmes in Russia, such as the excellent ones run by the British Council, to help democracy survive. The British Council is now looking at close links between our two nations, including links between schools, and establishing information technology links with schools and exchanges for Russian teachers and children. The Government must support those schemes. We must encourage more business and trade with Russia. Most of all, our foreign policy must support the pro-reformers and those who want democracy to survive.

Imagine the prize of success for Russia—a country that is democratic, reformed and economically buoyant. That prize should be our principal foreign policy objective.

Mr. Adrian Sanders (Torbay): I gave my hon. Friend notice before the debate that I might intervene. Given the enormity of the problems, does he agree that no nation state alone can offer assistance, and that the best hope lies in the aid programmes to which we can contribute through the European Union?

Mr. Keetch: My hon. Friend is right. Britain cannot solve the problems by itself, but it is important to remember that it has a special relationship with Russia. The Russian people are understandably suspicious of the Germans, the Japanese and the Americans. They would welcome British involvement, and I hope that the Government will take a lead in that.

The price of failing to support the Russian economy is huge. In its negotiations in the forthcoming weeks, the International Monetary Fund must not seek to impose on the Russian Government the terms normally accepted for IMF support, because Russia could not take them.

Mr. David Kidney (Stafford): The hon. Gentleman is developing an interesting and powerful speech. On IMF support, the conditionality that has been imposed has been to collect taxes that are lawfully due. My hon. Friend the Member for Warrington, North (Helen Jones) referred to that a moment ago. Does he accept the fundamental point that taxes lawfully raised must be paid if Russia is to be the success that he wants it to be?

Mr. Keetch: I certainly accept that, but I hope that the IMF will not only put in place conditions but provide practical support that will allow Russia to meet those conditions. Russia simply cannot meet those conditions by itself. As the hon. Member for Warrington, North (Helen Jones) said, it needs our practical help and experience in collecting those taxes.

History has a nasty habit of repeating itself. We all know what happened to Germany in the 1930s after it had been made to pay too high a price for losing the first world war. Let us not expect Russia to pay too high a price for losing the cold war. The world has never known a super-power with a vast arsenal of nuclear weapons that cannot pay its employees. The House and the Government must get the message across to Russia that we will not let it give up on democracy. If it does, the whole world will suffer.

9.12 pm

The Economic Secretary to the Treasury (Ms Patricia Hewitt): I thank the hon. Member for Hereford (Mr. Keetch) for his initiative in introducing this debate, and congratulate him on his excellent speech and evident interest in, and concern and knowledge about, the conditions in Russia. His description of the state of the economy and of Russian society is absolutely right. As he said, gross domestic product has fallen by 10 per cent. in the past 12 months, inflation has risen by 50 per cent., and tax revenue, which was never particularly good, is shrinking rapidly. Clearly, barter and non-payment are rapidly on the rise. Perhaps most distressing of all is the catastrophic drop in life expectancy, particularly among men, since the fall of communism, exacerbated by the current economic crisis.

The position is as serious and distressing to everyone as the hon. Gentleman has described. However, it must be understood that responsibility for tackling the problem lies, as it must, with the Russian Government. We cannot guarantee law and order, or economic stability and all the other things that Russia needs. It is for the Russian Government to take a lead and to implement the policies which will bring real economic and social benefits to a country in immense distress.

The priority is clear: Russia needs to develop a coherent macro-economic framework and to get its public finances under control, because without that, it cannot regain economic stability. It certainly has to introduce tax and expenditure reform, and needs to restructure its banking sector, because there is near-bankruptcy or worse among many of its banks. It needs to close insolvent enterprises,

and to tackle the problem of barter and non-payment. It of course has to develop and try to enforce the essential, the basic, legal and institutional framework of a market economy, because that is clearly missing.

The hon. Member for Hereford and my hon. Friend the Member for Warrington, North (Helen Jones) mentioned the excellent work of the British Council. As a short-lived former vice-chair of that organisation, I also pay tribute to the work that it has been doing in know-how transfer, and in helping to build that capacity within Russia.

The Government are not only actively monitoring the situation in Russia, but are in regular contact with our partners there, in the G7 and in the European Union. The Russian Government are, however, still formulating their economic policies. We and our international partners—this cannot be done by one country alone—remain ready to support and work with Russia, and with its Government, in support of sustained efforts towards stabilisation and reform.

As the hon. Member for Hereford said, the international community must be ready to back International Monetary Fund financial assistance, but that assistance must be given in support of credible and sustained efforts by Russia towards stabilisation and economic reform. There is no point in supporting policies which will not work.

We, and our partners in the EU and the G7, are more than ready to help with this process, and we are re-focusing the technical assistance programmes accordingly. The international community also needs to continue to monitor the situation on food supplies and on medical supplies. If there is clear need, we must and will be ready to ensure that humanitarian assistance is provided.

I should like to connect the situation in Russia, which the hon. Member for Hereford described so vividly, with the second half of the title of the debate—the world economy. The direct effects of the crisis in Russia are relatively small—before the collapse, Russia contributed about 1 per cent. of total world output, and accounted for 1.5 per cent. of world trade—but that is not the case for certain countries. Ukraine, which does a quarter of its trade with Russia, was particularly badly affected, and remains so even today.

There is also a direct impact on those banks, especially in Germany, which were severely exposed to the situation in Russia, but the indirect effects on the rest of the world economy—the contagion of the collapse in Russia and the default on debt—are of immense concern, to the hon. Member for Hereford, his hon. Friends and all of us.

Japan, the world's second largest economy, is expected to contract by 2.5 per cent. this year, and that following several years of low growth. Another region—which, hitherto, had been the growth engine of the world economy—also faces unprecedented declines. We are all affected, and not only for humanitarian reasons. We are dependent on each other's goods and services—the Asian crisis has cut United Kingdom exports to Indonesia, Malaysia, South Korea and Thailand by between 50 and 60 per cent. in a single year—and, as we have seen over recent months, a weak financial system in one country then threatens the financial systems of other countries. We are having to deal with the consequences of the financial turmoil and the destabilising lack of transparency.

We are faced with a crisis that grew because of weak, under-supervised financial institutions in developing economies, and which became global because of deficiencies in supervision and in risk management, even in developed economies. It became a prolonged crisis because the initial policy responses were more suitable for over-extended pubic sectors than for over-exposed private sectors.

Not only in Russia, but across a large part of the world, this crisis has become a human tragedy for millions of people. They are the victims of inadequate social protection. We must deal with the situation in Russia, and continue to work with the Russian Government to try to support efforts to achieve first political stabilisation and then economic and social stabilisation. We must also deal with the problems in the global economy. We must begin by addressing the short-term problems. We should recognise that the balance of risks has changed, and act accordingly.

Monetary authorities around the world continue to be vigilant. Crucially, G7 countries have committed themselves to creating or sustaining the conditions for demand-led growth and financial stability in their own economies. In addition, we must address the underlying longer-term problems that have contributed to the current crisis in Russia, Japan and in the world economy. That requires an international financial architecture that is suited to today's global economy, not to yesterday's.

For 50 years, the world economy has had policies for regulation, supervision, transparency and stability that were devised and developed for a world of relatively sheltered national economies with limited capital markets. We must now create procedures for supervision, transparency, regulation and stability that are as sophisticated as the markets with which they have to work, and try to prevent the collision of inadequately regulated global capital flows with inadequately developed and supervised national banking systems, which has been a common feature of the crisis in many countries.

Mr. Michael Colvin (Romsey): I hesitate to intervene, but last week I was in Moscow, and I had the opportunity to talk to members of the Duma about the current crisis in Russia. They said, "It's not money we want from the west. We need to know how we can stop our wealth draining out of our country." That is the problem at the moment. It is like pouring water into a colander. Last year, 40 per cent. of Russia's oil went on to the black market, without anyone knowing where it had gone to. They need such assistance more than some high-flown IMF package which will impose conditions that they will not be able to comply with.

Trade is more important than anything. Over the years, the central European free trade agreement has worked well for the countries of central Europe. The sooner we extend that eastwards into Russia, whose centre of gravity is European, the better it will be, not only for Russia, but for the rest of Europe and the rest of the world.

Ms Hewitt: The hon. Gentleman makes two extremely important points. He is right about the importance of trying to re-establish and to develop trading relationships with Russia, and to draw it into that broader European family. That in turn depends on securing a financial and

[Ms Hewitt]

legal infrastructure for its economy. As he rightly says, the wealth and income that they ought to have in Russia is draining out faster than they can replenish it. That is an issue for those who might wish, or be able, to trade with Russia, and to benefit from such a trading relationship. The trading relationship itself will require an adequate economic and legal infrastructure—in other words, the fundamentals of a market economy in Russia.

I agree with the hon. Member for Romsey (Mr. Colvin). It does not come down simply to the question of a financial architecture and sorting out Russia's banking system, although that is important; it also comes down to technical assistance. It comes down to the help that we can give the Russians to secure the basics of a functioning market economy with a functioning legal and contractual system, and with something resembling an efficient tax collection system.

Unfortunately, Russia must act on many different fronts at the same time. I do not think that it is possible to work on the trading end of the relationship without also working with Russia to put in place the basics of the economic infrastructure that it so badly needs.

That, in a sense, is precisely the point of what we and our partners in the G7 and the European Union are trying to do to establish a stronger, modernised global financial and trading architecture. National Governments, helped by international institutions, need to set clear, clearly understood, long-term policy objectives that will build confidence and establish their credibility. That applies to all countries, whether they are beginning the process of creating and developing market economies or are a long way down the line. That is why the Government have welcomed the International Monetary Fund's new code of good practice on fiscal policy, and look forward to similar codes of conduct on monetary and financial policy.

The new economy, however, also requires much more transparency in the private sector. That is why we are urging the Organisation for Economic Co-operation and Development to conclude rapidly its work on a code of conduct for corporate governance.

Events in Russia—and, indeed, throughout the world—in recent months have identified inadequacies in our understanding of the interrelationship between financial markets and between countries, inadequacies in the quality of risk assessment, and gaps in the international regulatory system. There is an urgent need for us to look at the scope for a new Standing Committee and for global financial regulation.

We must also continue to be vigilant in regard to the threat of protectionism. It is perhaps most likely to arise in relation to the countries of south-east Asia, but—as the hon. Member for Hereford pointed out—it is crucial in terms of our own relationships with the countries of eastern Europe. We need to work with the World Trade Organisation to ensure that there is a proper start to the next round of trade negotiations, so that we can take the necessary steps to ensure openness in trade.

Last night—also in response to the Liberal Democrats—my right hon. Friend the Chief Secretary to the Treasury and I outlined the measures that the Government were taking, and had taken, to put the United Kingdom on to a path of stability. They are all the more important given the instability in the world economy.

One of the trigger points for that instability is the crisis in Russia to which the hon. Member for Hereford has so eloquently drawn attention. I assure him, and the House, that—both on behalf of this country and in co-operation with our colleagues in the G7 and the European Union—we will continue to do everything possible to assist the Russian Government to put their country on to the path of economic, political and social stability that its people so badly need.

Question put and agreed to.

Adjourned accordingly at twenty-eight minutes past Nine o'clock.

House of Commons

Wednesday 28 October 1998

The House met at half-past Nine o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Cyprus

Motion made, and Question proposed, That this House do now adjourn.—[*Mr. Pope.*]

9.33 am

Mr. David Amess (Southend, West): I particularly welcome your presence, Madam Speaker, at the beginning of our proceedings, as I realise that we are debating a subject that is of some interest to you. Indeed, it is a subject in which you have considerable expertise.

I may be wrong, but I think that this occasion may mark the Minister's debut at the Dispatch Box in a debate on Cyprus.

The Minister of State, Foreign and Commonwealth Office (Ms Joyce Quin) *indicated assent.*

Mr. Amess: I welcome her to the debate.

I should perhaps say that I am not Greek or Turkish, but a British Member of Parliament who was born in London. Some of my constituents would probably say, "David, there is enough to worry about in Southend without expending your efforts in a debate on the future of the tiny island of Cyprus." I suppose that such a sentiment sums up how hon. Members are thought of today—largely as an alternative councillor and glorified social worker, overlooking our national and international roles.

I strongly believe that the future of Cyprus is and should be of great concern to all hon. Members, particularly because of the island's strategic defence importance. The presence in the Chamber of so many hon. Members demonstrates that many others share my views on the importance of Cyprus's future.

I made my most recent visit to Cyprus, at the end of August, as a guest of the Cypriot Brotherhood. I went as part of an all-party group, which included my hon. Friend the Member for Surrey Heath (Mr. Hawkins) and the hon. Member for Great Yarmouth (Mr. Wright)—who had hoped to attend this debate but, unfortunately, is otherwise engaged. We met in Cyprus, on an all-party basis, many different people, and were very pleased to meet President Clerides.

After that visit, I felt great frustration at the lack of progress in achieving a fair and peaceful resolution of the situation in Cyprus. Although the Minister may say that it is unfair to criticise that lack of progress, my criticism is not directed at her or the Government. I applied for this Adjournment debate, for which I am grateful, because of that frustration.

In my time as an hon. Member, there have been many debates on the future of Cyprus. Although I certainly do not pretend that I am an expert on the subject, I am still entitled to my views on it. The chances are that no original views will be expressed in this debate, but—who knows—today may be an historic occasion. Perhaps, in future years, we will be able to claim that today's debate made an important contribution in finding a resolution to the problem.

It may surprise the House to learn that, in my constituency of Southend, West, I have very few Greek Cypriot constituents. The overwhelming number of my Cypriot constituents are Turkish. I believe that I have very good relations with those Turkish Cypriots, with whom I have interesting exchanges on matters concerning Cyprus. Nevertheless, I should make it clear now that my own sympathies lie with the arguments that have been enunciated by those on the Greek side of the issue.

Cyprus, as we all know, is undoubtedly a very beautiful island, but its landscape has been entirely marred by the green line. Hon. Members may have been sent a photographic record of the line by Doris Partasides. For those who like looking at pictures and are not so interested in text, that record graphically demonstrates the tragedy that is Cyprus. I thought of Miss Havisham and her frustrated wedding feast when I looked at the photographs, which show the eeriness and tragedy of the green line—and which is madness. Surely it cannot be in the interests of the Cypriot people to have a divided island.

We ignore history at our peril. The history of the occupation of Cyprus over the centuries is used by the Greek and Turkish Governments partly to justify their positions. I know that there are hon. Members here this morning who are drawn to both sides of the argument. As we know, Cyprus finally achieved independence in 1960, but that independence was short lived. In the summer of 1974, Turkey, following a military coup against President Makarios, invaded the island. That is a fact, and cannot be disputed.

Mr. Jamie Cann (Ipswich): I do not like the word "invaded". Turkey was one of the guarantor powers of the treaty of independence. Under that treaty, Turkey intervened in a military coup that was taking place in Cyprus and during which Turkish citizens were being massacred.

Mr. Roger Gale (North Thanet): Why are the Turkish troops still there?

Mr. Amess: There we are—

Mr. Cann: Madam Speaker, may I respond to the sedentary intervention of the hon. Member for North Thanet (Mr. Gale)?

Madam Speaker: I did not hear it. Is the hon. Member for Southend, West (Mr. Amess) giving way?

Mr. Amess: I should like to reply to the first intervention. There we are—we have heard the Turkish view of events. I said that we ignore history at our peril, and we seem to have two versions of history. I do not want to waste hon. Members' time by engaging in

[Mr. Amess]

semantics, as many want to speak. The hon. Gentleman has expressed his point of view; we shall have to agree to differ.

Mr. Andrew Love (Edmonton): Does the hon. Gentleman agree that it was also part of the terms of the treaty that any troops who went to the island should leave as soon as possible and return the status quo ante?

Mr. Amess: Yes, I am delighted to be able to agree whole-heartedly with the hon. Gentleman's interpretation of history, with which I know another hon. Member disagrees.

What I was about to say—it might please the hon. Member for Ipswich (Mr. Cann) a little—is that we must not forget that the military coup was carried out by the Greek junta. The Turkish Government at the time said that their action was aimed at re-establishing the status quo created by the Cyprus treaty of independence. Constitutional order was indeed restored within a week, but the invading forces—I know that the hon. Member for Ipswich does not like that description—extended their operations and occupied 37 per cent. of the republic's territory. Tragically, as a result of that, 5,000 Greek Cypriots lost their lives.

Mr. Eddie O'Hara (Knowsley, South): Whether we call it invasion or intervention, does the hon. Gentleman agree that the continued occupation of 37 per cent. of northern Cyprus since 1974 by the Turkish army is in contravention of Turkey's powers under the treaty of guarantee?

Mr. Amess: Again, I am pleased to be able to agree with the hon. Gentleman whom I was privileged to accompany on a visit last year. He has great expertise in these matters as he was stationed in Cyprus for some time. I whole-heartedly agree with his interpretation of the facts.

Five thousand Greek Cypriots lost their lives, nearly 200,000 became refugees and 1,619 are still unaccounted for. Greek Cypriots believe strongly that Turkey began a programme of demographic change in the occupied zone. Settlers from Turkey were allowed to establish themselves on the island as full citizens with the right to vote. In 1983, Mr. Denktas declared a separate state. The international community—again, this is a matter of fact—unanimously rejected that action. Today, the occupied territory is recognised by Turkey alone.

As evidence of how the Greek Cypriots feel, I want to quote a wide-ranging speech made by the re-elected President Clerides to the General Assembly of the United Nations on 25 September. In it, he set out his proposals for the future of Cyprus. It shows clearly the Greek Cypriots' claim that their efforts to achieve a settlement have been frustrated, although I know that some hon. Members will disagree. President Clerides said:

"As regards Security Council and General Assembly Resolutions calling for the speedy withdrawal of all foreign armed forces and personnel from the Republic of Cyprus, not only the Turkish Armed Forces and personnel have not been withdrawn but they have been increased and upgraded to such an extent that the previous Secretary-General Mr. Boutros Ghali described in his report to the Security Council the occupied part of Cyprus as the most militarized area in the world."

Mr. Cann: Rubbish.

Mr. Amess: The hon. Gentleman shouts, "Rubbish", but I was quoting the President of Cyprus. The hon. Gentleman is entitled to disagree.

President Clerides continued:

"UN resolutions for the return of the refugees to their homes under conditions of safety were not implemented not only because Turkish Forces prevented the refugees to return, but also because Turkey, violating other provisions of UN resolutions calling on all parties concerned to avoid any action to change the demographic composition of the population of Cyprus, imported to Cyprus thousands of illegal settlers from Turkey, usurped the properties of the refugees and installed settlers into them."

He continued:

"The recent demand of the Turkish Cypriot leader Mr. Denktash in the presence of the Turkish Foreign Minister for a confederation solution violates all UN resolutions, which call for a bizonal, bicommunal federation with a single sovereignty, international personality and citizenship, and is aimed at derailing the negotiating process from the base of the UN resolutions on Cyprus, but also at extinguishing the independence of the Republic of Cyprus and creating under the guise of a Turkish Cypriot Republic a Turkish colony in Cyprus or to say the least a Turkish protectorate."

Mr. Nick Hawkins (Surrey Heath): Does my hon. Friend agree that one of the most significant factors in what has happened has been the refusal of Turkey and the Turkish Cypriots to pay any heed to repeated United Nations resolutions? The hon. Member for Ipswich (Mr. Cann). who intervened on my hon. Friend and continues to laugh at his speech, might not like it, but the fact remains that it is Turkey and Turkish Cypriots who have continued to flout the will of the United Nations.

Mr. Amess: I agree with my hon. Friend. That was certainly the evidence that we found on our recent visit.

President Clerides went on to say:

"The non-implementation of United Nation Resolutions on Cyprus tarnishes the image of the United Nations and its main bodies. The former Secretary-General Mr. Boutros Boutros Ghali has in one of his reports to the Security Council identified that a cause for the absence of progress in Cyprus is the lack of political will on the part of the Turkish side. With that report the diagnosis of the causes of the failure to make progress towards a solution is completed. Is it too much for the people of Cyprus to ask what will the next step be? Will the United Nations finally take the necessary action to apply the required remedy in order to put an end to the tragedy that has befallen our small state and which continues for 24 years?"

That is President Clerides's interpretation of the current position, but hon. Members are entitled to agree or not. However, it would be foolish of the House not to unite in agreement with President Clerides, who says of his vision for Cyprus:

"I want all Cypriots to have security in their homes and their communities. I want all Cypriots to pursue their livelihoods".

Mr. Roy Beggs (East Antrim): I believe that we, in the United Kingdom, wish the Turkish Cypriots in northern Cyprus and the Greeks to enjoy security and safety. However, I am surprised that the hon. Gentleman has made no reference to the reason why the Turkish Cypriots lack that comfort and security—the betrayal by successive

British Governments in failing to play their part and guarantee the security to which the Turkish Cypriots were entitled, and which was denied them by an expansionist Greek regime.

Mr. Amess: The hon. Gentleman, as an Ulster Unionist, knows all about political difficulties, and I do not dismiss his contribution this morning. He has placed on the record his version of events. Later I may—without necessarily criticising the Government—agree with part of what he says.

Mr. Gale: Does my hon. Friend agree that a very significant number of Turkish Cypriots have found it necessary to leave the island of Cyprus and are now resident in Australia, New Zealand and, indeed, in London and other parts of the United Kingdom? They have done so as a direct result of the fact that they feel unsafe under what is termed their own regime in the northern part of Cyprus.

Mr. Amess: I agree unequivocally. Last year, that fear was evident, especially when we visited Famagusta. He is entirely right that, as a result, many people have now chosen to live in Australia.

Mr. Cann: Does the hon. Gentleman also recognise that the second largest population of Greek people in one town is in Melbourne in Australia?

Mr. Amess: To allow everyone to speak, I shall—I hope without being discourteous to others—move on quickly and conclude my speech.

I had hoped—obviously the hope was futile—that hon. Members might unite in agreement with President Clerides, who has said:

"I want all Cypriots to have security in their homes and their communities. I want all Cypriots to pursue their livelihoods free of economic restrictions and the fear of instability. I want all Cypriot children to know their distinct culture and religious heritage and to be able to carry their identity and political rights into the future without fear of domination from any quarter."

In 1991, the Cyprus Government applied for full membership of the European Union. I support their application, not least because I believe in the enlargement of the community. I understand that the negotiation process is taking place at the moment, as it is for the six other countries that have applied to join the Union. We know that Turkey and the Turkish Cypriot leader have declared their opposition to the admission of Cyprus. After the long years of uncertainty for the Cypriot people, I believe that the British Government have a great responsibility to encourage Cyprus in its application, and I hope that we shall take positive steps to encourage an amicable and peaceful settlement to the Cypriot problem.

Often people say to me, "There is no problem between the Cypriot people; the problem is between the Greek and the Turkish Governments." I do not know whether that is the case, but the Turkish Cypriot community in my constituency says that it has no argument with the Greek Cypriot community.

Mr. Love: Will the hon. Gentleman give way?

Mr. Amess: For the last time.

Mr. Love: Does the hon. Gentleman agree that Cyprus's application for accession to the EU may act as a catalyst in bringing the two communities together and finding a resolution to the problem of the division of that island?

Mr. Amess: I agree whole-heartedly. As a Conservative Member of Parliament, I might be somewhat sceptical about some elements of the EU, but I entirely agree that membership can, in a very positive sense, bring about a lasting settlement.

So often, personalities determine events. I was optimistic that the last Prime Minister but one of Turkey—who, tragically, died following a heart attack—might have been instrumental in bringing about a settlement. Today, we need strong personalities to achieve that. I hope that the Minister will address several issues. If she does not have time to respond this morning, perhaps she will write to me on the matter, but I should like to know in detail, eventually, precisely what Her Majesty's Government are trying to do in a practical sense to bring about a settlement.

In my constituency, members of the Turkish Cypriot community are troubled by the present visa requirements. They say that there never used to be any difficulty. They find it insulting when mothers and fathers are now required to have visas. I do not know the truth of that; would the Minister kindly let me know?

On another matter, which may not seem relevant to the future of Cyprus, I am deeply involved in supporting members of the Cypriot community who are concerned about the tragic consequences of thalassaemia, and I am working with them to raise money to combat it. I have first-hand knowledge of that tragic illness, which is a blood disorder that destroys the lives of young people mainly. I know that Her Majesty's Government's resources for the health service are greatly stretched at the moment, but I wonder whether the Minister could offer any words on what we are trying to do to combat that disease. Next year, I shall visit the northern and southern sides of Cyprus, and I shall present a cheque to the appropriate authorities to try to help fight it.

Nothing could be more graphic than a visit to Famagusta to demonstrate the futility of the situation. Last year, I visited the island with the hon. Member for Tooting (Mr. Cox) and the hon. Member whose constituency I have forgotten.

Mr. O'Hara: Knowsley, South.

Mr. Amess: I am sorry; I meant the hon. Member for Knowsley, South (Mr. O'Hara). We spent time with the mayor, deputy mayor and other councillors. We learnt at first hand their experiences—the real fear that exists.

I know that the Cypriots are looking to the United States of America to take a lead in this matter. In July 1996, Madeleine Albright, US Secretary of State, said:

"a settlement to the Cyprus problem is long overdue . . . finding a just and lasting settlement that will end the longstanding division of Cyprus is one of my highest priorities".

I believe that the expectations that arose from that statement have not been fulfilled. Sadly, the American Administration is somewhat flawed and distracted at the moment.

All Cypriot people want a future for their country. Anyone visiting the island must surely conclude that the present situation is totally unsatisfactory. It is now up to all political leaders who are of good will, especially in this country, to unite in saying that the situation has persisted for far too long. In the name of decency,

[Mr. Amess]

we must ensure that the two communities can live, work and prosper together in a free, united and demilitarised Cyprus. That surely must be the future of Cyprus.

Several hon. Members *rose—*

Madam Speaker: Order. I am delighted to see that there is a great deal of interest in the debate, but we have little time for it. I appeal to hon. Members to be brisk and short, because I want to call as many as possible.

9.59 am

Mr. Tom Cox (Tooting): I warmly congratulate the hon. Member for Southend, West (Mr. Amess) on initiating this debate and on his long and honourable contribution to Cyprus. I endorse his comments about my hon. Friend the Minister. He is right to say that this is her first appearance as Minister in a debate on Cyprus, but it is by no means the first time that she has taken part in such debates. Few Foreign Office Ministers have comparable knowledge of Cyprus. In opposition, she was deeply involved with the issue.

I chair the all-party Cyprus group. We are committed to helping the people of Cyprus—Greek or Turkish—to develop their country and live in peace and security. The debate is about the future of Cyprus. The hon. Member for Southend, West has outlined some of the events since 1974. We all look for progress on a settlement to the long-running tragedy, but we have often seen our hopes fall away. The tragedy of Cyprus is that its potential has never been developed. The island is popular with tourists from all over the world, creating vast income and employment. The island also has agricultural potential, bringing further income and employment. The skills of the Cypriot people, their education ability, their employment skills and the fact that there is an established democracy—that is Cyprus 1998, on which the future can be built.

Many of us have campaigned on issues that we regarded as vital to Cyprus over the years. Sadly, we have not made the progress that we all wanted. The hon. Member for Southend, West referred to Famagusta, which is one of the most beautiful towns on the island, as my hon. Friend the Member for Knowsley, South (Mr. O'Hara) can testify. It is now in the occupied area. It is a ghost town where no one lives. We have long hoped that Famagusta would be returned to the Republic of Cyprus. Promises were made that it would be returned, but they have been reneged on.

Mr. Cann: Will my hon. Friend give way?

Mr. Cox: I am not giving way.

The people of Cyprus will never give up hope that their town will be returned. That would have been the real test for the future of Cyprus. The lack of progress on the return of Famagusta is disappointing, but there is a wonderful opportunity for the future of Cyprus—membership of the European Union. Its application is under active consideration. I am pleased that the Government and many other member states fully support that application. President Clerides deserves great credit for his repeated clear and honourable statements that Cyprus' application for membership is for the whole island, for the benefit of both Greek and Turkish Cypriots, and that membership of the European Union will benefit all Cypriots. He has repeatedly invited Mr. Denktas and the Turkish Cypriots to join him in the negotiating team on EU membership.

Mr. Gale: Will the hon. Gentleman give way?

Mr. Cox: I cannot give way because of the time.

Sadly, Mr. Denktas has not co-operated with President Clerides's generous and honourable offers. Instead, further demands and criticisms have been made about the application. I have the greatest respect and regard for my hon. Friend the Minister. I hope that the Government will tell Mr. Denktas clearly that we shall not tolerate his attitude. We must tell him and his friends in Ankara that we fully support Cyprus's application for membership of the European Union. There is no reason why the other 14 members of the European Union should not give equal support.

My right hon. Friends the Prime Minister and the Foreign Secretary have repeatedly told Turkey in recent months that it has a future in Europe and will one day be able to seek membership of the European Union. I have no objections to that, although, like other hon. Members, I have some reservations about Turkey and many of its actions, particularly within its own borders. The Government should tell Turkey that if it seeks a role in the Europe that is developing, we have a right to tell it to use its influence and friendship with those who can help to ensure that President Clerides's application is fully supported.

I shall close now, because many hon. Members want to speak. I warmly support the comments of the hon. Member for Southend, West in the debate. We know that Cyprus wants to develop its future for all the people of the island—Greek and Turkish. I hope that my hon. Friend the Minister will say clearly that we support the application and President Clerides's generous and honourable offer to Mr. Denktas, because that is a real opportunity, which hon. Members on both sides fully support. I look to my hon. Friend the Minister and my right hon. Friend the Foreign Secretary to give full support to this opportunity for the future of Cyprus so that that beautiful island and its people, with their enormous skills, can develop the opportunity that membership of the European Union will give them.

Several hon. Members *rose—*

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. May I inform the House that this is a very short debate, in which many hon. Members wish to take part? Short speeches would therefore be appreciated.

10.9 am

Mr. Roger Gale (North Thanet): I am very grateful to be called, and I shall be extremely brief. I shall make two points. Before I do, I should declare a recorded interest as a visitor to Cyprus as the guest of the Morphou municipality and the Greek Cypriot Brotherhood. Very recently, in addition to those visits, I was able, through the good offices of the British high commission, to visit, in the company of hon. Members from both sides of the House, the northern, occupied part of Cyprus—affording

no recognition whatever to the illegal regime—and meet a representative of the leader of the Turkish community and leaders of other Turkish Cypriot parties in that part of the island. It is abundantly plain that there is a burning desire among many Turkish Cypriots to become involved in talks on accession to the European Union and to bring about the unification agreement that will benefit all Cypriots, to which the hon. Member for Tooting (Mr. Cox) referred.

I hope very much that when the Minister responds to the debate, she will be able to clarify the British Government's position. My first point is that it is absolutely vital that the House sends a very clear message to the Turkish Government that they will be able to exercise no power of veto over Cypriot accession to the EU and that that accession will proceed on track with or without a settlement of the Cyprus problem. Once the Turkish Government clearly understand that, the block to Turkish Cypriot participation in accession talks will be lifted. At that point, the very generous and sincere desire of the president of the republic, President Clerides, for an all-Cyprus negotiating team will become a reality. That will be in the interests of all Greek Cypriot and Turkish Cypriot communities living in the United Kingdom and on the island of Cyprus.

Secondly, I believe that I am right in saying that, yesterday, the time for a settlement by Turkey in the Loizidou case expired. As the Minister knows, Mrs. Loizidou took the Turkish Government to the European Court, which found in her favour and awarded damages. Turkey was given a period in which to honour the court's findings and to make payment. The Cyprus high commissioner informed me this morning that, as of last night, that payment had not been made. The United Kingdom is a member of the Council of Europe and a supporter of the European Court of Human Rights. It is also a guarantor power. We have an absolute duty to take action and seek enforcement of that European Court judgment. I would be very grateful if the Minister gave some indication of the Government's attitude and the action that we as a country propose to take.

10.12 am

Mr. Jamie Cann (Ipswich): We should at least try to get our facts right about this issue. Britain took over the governance of Cyprus in—I think—1878; it was certainly in the 1800s. At that time, Turkish Cypriots and Greek Cypriots were intermingled in villages across the island. At the back end of the 1950s, a Greek Cypriot movement in Cyprus—EOKA—called for the island to become a sovereign part of Greece. At that time, Greek Cypriots were the ones shooting British soldiers, and Turkish Cypriots the ones who sheltered, succoured and protected them. We seem to get that wrong nowadays. Does nobody read history any more?

When we left the island in the early 1960s, we left a treaty by which we, Greece and Turkey guaranteed we would abide. That treaty said that the president would always be a Greek Cypriot, because there is a majority on the island, that the vice-president would always be a Turkish Cypriot, and that the system would be bicameral. Within two years, that was broken. The Turks were dispossessed and herded into ghettos. I have seen the graves in some of those ghettos. There are no men in them because, as was the case with the Serbians after them, the men were moved on. God knows where they are. I saw only graves of Turkish Cypriot babies, women and old men. Nobody can tell me that warm words from President Clerides will alter any of that history.

When a fascist Greek junta, which some of our people do not seem to mind too much, took over the island in 1974, Süleyman Demirel, the president of Turkey, pleaded with my Prime Minister, Harold Wilson, and my Foreign Secretary, Jim Callaghan, "For goodness sake, do something about this. Our people have been herded into ghettos and massacred. The treaty of guarantee says that powers should operate to stop this." Did we do anything? No, we did nothing; so Turkey did, and I congratulate it on that.

The hon. Member for North Thanet (Mr. Gale), who appears to be falling asleep, asked earlier why British troops are still in Cyprus. That comes down to a matter to which my hon. Friend the Member for Tooting (Mr. Cox) referred. The treaty of guarantee said that guarantor powers would move in to stay and move out only when it was possible. It is not possible to move out.

Mr. Steve McCabe (Birmingham, Hall Green): I am listening with interest to my hon. Friend's comments. I confess that I, too, have recently visited Cyprus. My trip was sponsored by Friends of Cyprus. I am curious about my hon. Friend's reaction to the behaviour of Mr. Denktas, the Turkish authorities and the military, especially given that there is now a minority of Turkish Cypriots in Cyprus, since they have been replaced by Turkish troops and Anatolians who were brought in by Mr. Denktas. Is not that worse than the events that my hon. Friend is discussing?

Mr. Cann: It is certainly not worse. Incidentally, I ought to mention—I apologise for not doing so before—that I am a friend of Turkish north Cyprus. I have also been to the south of the island—but that is another matter. What my hon. Friend has said is not correct. The vast majority of people who live in the Turkish republic of north Cyprus are Cypriots. It is a secular democratic republic on a western model. Hon. Members shake their heads. Perhaps they have not been there; perhaps they ought to go there; perhaps I ought to invite them; perhaps I ought to try to get them there.

Mr. Andrew Dismore (Hendon): I have been there.

Mr. Cann: My hon. Friend will know then that in shaking his head, he is very wrong.

Mr. Hawkins: Despite what the hon. Gentleman has been saying, does he nevertheless concede that, about two and a half years ago, the late Lord Finsberg, as a member of the Council of Europe, was required to report on people in the illegally occupied area? His report confirmed that quite appalling human rights abuses had been imposed by Mr. Denktas on those in the territory of the illegal regime. How does the hon. Gentleman respond to that recent history?

Mr. Cann: It must be very recent. It is also a total nonsense, as anyone who has visited the place knows.

Mr. Dismore: Will my hon. Friend give way?

Mr. Cann: No; please let me make a little progress.

Mr. Deputy Speaker: Order. Interventions will most definitely mean that some hon. Members will be squeezed out of the debate.

Mr. Cann: If I may, I shall continue making my argument.

This country let down the Turkish Cypriots. The Turkish army moved in to protect the interests of the Turkish Cypriots, and since 1974, there has never been a solution that would have been acceptable to both Greek and Turkish Cypriots.

Throughout those 24 or 25 years, all public opinion, and all the pressure in the press and from this place, has always been in support of the Greek Cypriots. Everything that the Turkish Cypriots do, and everything that the Turks as a nation do, is deprecated by the House. That is historically incorrect.

Finally—

Mr. Love: Will my hon. Friend give way?

Mr. Cann: No, I shall not. I am sure that my hon. Friend will have his own say.

Turkey is a country of 70 million people. It is a buttress of NATO in the whole of that area, and has been a strong and good friend of this country. Turkish Cypriots have been strong and good friends of our soldiers, too, when Greek Cypriots were shooting them in the back in the name of EOKA.

As well as the justice of the case for the Turkish Cypriots, we should consider the interests of this country. If we try to bring a divided Cyprus into the European Union—

Mr. Love: Will my hon. Friend give way?

Mr. Cann: No, I will not.

Would we be doing ourselves a favour if we brought in a divided Cyprus? No. Would we be doing the European Union or NATO a favour? No. The treaty that we left behind us laid down that Cyprus would be undivided, with bicameral government and a leadership split between the two communities. That has been abrogated for 25 years.

Until we get back to that situation, we must ensure that Cyprus does not join the European Union. It is wrong to do as my hon. Friend the Member for Tooting did and call Mr. Clerides "President Clerides", because under the treaty that we left behind, he is not the president. He is a minority leader, because the island is not united, and until it is, it should not be allowed to join the European Union.

10.21 am

Sir Sydney Chapman (Chipping Barnet): We can all put our own interpretations on past events in the beautiful island of Cyprus, but I want to look to the future. I shall be brief. There are two developments relating to Cyprus that I would like to see. First, I fervently hope to see the reunification of the island after 24 years in which 38 per cent. of it has been illegally occupied. Secondly, I want to see Cyprus's application to join the European Union succeed.

I listened carefully to Foreign and Commonwealth Office questions yesterday, and lest there be any misunderstanding, I should be grateful if the Minister would confirm that the reunification of Cyprus is a separate issue from Cyprus's application to join the European Union, and that one is not dependent on the other. She did not say that, but columns 143 and 145 of yesterday's *Hansard* give rise to some ambiguity. I would like the simple assurance that the accession of Cyprus to the European Union will not be held up because, and if, the island remains divided.

Cyprus is especially well qualified to join the EU. My research shows that it is one of the few countries in Europe—including most of the 11, from a total of 15, countries that are to launch the single currency on 1 January—that could meet the Maastricht convergence criteria straight away.

I am somewhat confused and perplexed about the initiatives now taking place. There seem to be three special representatives trying to do their bit to solve the Cyprus problem. First, there is the omnipresent Richard Holbrooke, President Clinton's special adviser—but as soon as the dust settled on his visit to Cyprus, I discovered that he was in Kosovo. I wonder where he is now.

Secondly, there is our own Sir David Hannay, a most respected diplomat whom I know and admire. I remember him in particular as the British permanent representative at the United Nations from 1990 to 1995. Third on the scene is Ann Hercus—to give her her proper title, the United Nations Secretary-General's alternate special representative.

I wish them all well in their endeavours, but it is vital that there be a co-ordinated strategy to tackle the Cyprus problem. I believe that the United States must play a key role in helping the co-guarantors to find a solution, because the best prospect for the reunification of Cyprus is to deal with it as part of wider international concerns. That is a question of realpolitik.

I share the view of the hon. Member for Ipswich (Mr. Cann) that Turkey is a valued member of NATO. It is also a valued member of the Council of Europe, and I want to see it as a member of the European Union—provided, of course, that it can meet the economic and human rights criteria. If Turkey can join, that will help to establish peace and security in that part of Europe.

Mr. Cann: Will the hon. Gentleman give way?

Sir Sydney Chapman: I shall not, if the hon. Gentleman does not mind. I would prefer hon. Members to make their points in their own speeches, rather than in the middle—or rather, at the end—of mine.

For 24 years, the world has failed to deal with the division of Cyprus, and it behoves us to realise that we have a special responsibility not only as a co-guarantor, but because Cyprus is a Commonwealth country. What is needed is good will, as well as give and take on both sides of the green line which is the tragedy of Cyprus.

10.26 am

Mr. Eddie O'Hara (Knowsley, South): I, too, congratulate the hon. Member for Southend, West (Mr. Amess) on having called for a debate on the important subject of Cyprus. It is frustrating to have to be brief on such an important topic, but I shall do my utmost.

Much has been said, especially by my hon. Friend the Member for Ipswich (Mr. Cann), about the legal, historical and constitutional situation, but let me explain that constitutionally, the treaty of guarantee still stands, and President Clerides is recognised as president of the Republic of Cyprus. Politically, the United Nations recognises the Republic of Cyprus and does not recognise the so-called Turkish republic of northern Cyprus; only Turkey recognises that.

As for the recent legal situation, the Loizidou case has been mentioned, and we must put on record the fact that an important by-product of the judgment at Strasbourg was that the judges held that Turkey was responsible for all that now happens in northern Cyprus because Turkey is in occupation. Turkey is in the dock, not the so-called Turkish republic of northern Cyprus, which has no constitutional or legal status whatever.

There has been much interpretation and reinterpretation of history, but let us accept that there were atrocities by extremists on both sides in the early days in the 1960s. It saddens me that all the literature that I receive from supporters of the so-called Turkish republic of northern Cyprus always refers back to them, and never forwards. There have been no atrocities since then, except officially sponsored atrocities by the authorities in northern Cyprus, such as the fairly recent events involving Tassos Isaac and Solomos Solomou.

In 1974 an illegal attempt was made by a Government outside Cyprus to overthrow the legally appointed Government of that island, including an attempt to assassinate the president. That attempt was overthrown within days; mercifully, it did not succeed. Under the treaty of guarantee, Turkey certainly had the right to intervene to restore the status quo, but it did not have the right to stay in occupation for 24 years and perpetrate the further waves of invasion that took in Famagusta.

I declare an interest in that, like my hon. Friend the Member for Tooting (Mr. Cox), I am an honorary citizen of Famagusta. I am proud to say, "Epitimos Ammahostianos".

There was some justification for Turkey's actions in 1974. One might question the brutality of the intervention, but it would not be profitable to do so. The sad thing is that, since 1974, there has been a major exercise in ethnic cleansing in northern Cyprus.

Mr. Cann *indicated dissent.*

Mr. O'Hara: The Cuco report to the Council of Europe, some half a dozen years ago, expressed concern even then that the population of Epoiki—the immigrants into northern Cyprus—was on the point of exceeding that of the native Turkish Cypriots, who had emigrated to Australia, Canada, New Zealand and north London.

There have been assassinations of people in northern Cyprus who have dared to question the Government line.

Mr. Cann: Nonsense.

Mr. O'Hara: There have been assassinations—they are on record. There is a lot of evidence to show that typical Turkish Cypriots now feel like refugees in their own country.

All of that is negative, and I would rather be positive. Every day that passes matters in the solution of the Cyprus problem. That is the difference between the Cyprus and Northern Ireland problems. Time was always on the side of a solution in Northern Ireland and, please God, we shall get that solution sooner rather than later. However, the concrete is setting and the barriers are rising every day between the two communities in Cyprus—most of whom lived harmoniously with each other for hundreds of years. The danger is that they will lose the habit of living together, and they will be forced to lose that habit if the situation continues as it is.

It is negative to look back, and it is negative to talk about the confederation of two separate republics in Cyprus. There are positive opportunities, such as the accession of Cyprus to the EU. That offers benefits for all Cypriots, Greek and Turkish. It would be particularly beneficial to the Turkish Cypriots, because the situation over the past 24 years has done such grievous damage to the well-being of Turkish Cypriots. I remember going to the far north with my hon. Friend the Member for Tooting and seeing Turkish Cypriot villages where the people were living in absolute destitution. However, those people do not have the political means of expressing their opposition to what is going on.

I call upon the Turkish Government to stop their bellicose rhetoric. If they want a solution, and if they want the S300s out of Cyprus, they must accept the offer of President Clerides to demilitarise the island. That can be done in phases, and in ways that would ensure the confidence of the Turkish Cypriot people in their security.

Finally, I echo the words of the hon. Member for Chipping Barnet (Sir S. Chapman). Important as the solution of the Cyprus problem would be—everyone in the Chamber today is desperately keen to have a just and lasting solution to the Cyprus problem—there are bigger benefits to be gained if the problem were solved. Without a solution to the Cyprus problem, we will never resolve the differences between Greece and Turkey. Greece and Turkey are neighbours—they live better together in peaceful co-existence. If Greece and Turkey could live together in peaceful co-existence and co-operation, the benefits for the whole of the western world—and particularly for south-eastern Europe and the Mediterranean area—would be inestimable.

10.33 am

Mr. David Heath (Somerton and Frome): I congratulate the hon. Member for Southend, West (Mr. Amess) on securing the debate, but the great tragedy of our debates on Cyprus is that there is never enough time for the many hon. Members who have an interest in the subject to be able to express their views. That is a great shame, and I hope that we can have a longer debate at some stage.

[Mr. David Heath]

This is the third such debate in which I have spoken. I am a little bemused to find myself the only Front-Bench survivor, in that the Government and the Conservative party both have new Front-Bench speakers.

I make no apologies for repeating points that have been made on previous occasions, as I believe that they still hold good. It is essential for those Members of Parliament who speak with passion and knowledge on matters associated with Cyprus to recognise the fact that both communities have genuine fears and concerns about the other community and the other players in the region. Those have to be recognised and seen as part of the solution as it develops.

I still see the future of Cyprus as being the same as the position that I anticipate the Minister will indicate when she replies on behalf of the Government—that bizonal, bicommunal, federal solution which has been the basis of so much work over the years and remains the basis of the United Nations resolutions on the subject.

I also see the application of Cyprus to join the EU as an essential part of the process. It would be wholly beneficial for Cyprus to become a member of the EU, and it would be particularly advantageous to northern Cyprus, because—as the hon. Member for Knowsley, South (Mr. O'Hara) said—of the economic disadvantage that northern Cyprus has suffered during the years of partition. If there is any sector within the island that would benefit greatly from accession to the EU—which I hope will be at an earlier, rather than a later stage—it is the people in northern Cyprus.

There are some member states of the EU which are slightly embarrassed by the fact that the application from Cyprus is being treated in the same way as the five other current applications. They are wrong to be embarrassed and wrong to see Cyprus as a separate case. Cyprus has a significant problem in its recent history, but it has many attributes that would be of benefit to the EU and mutually beneficial to the island of Cyprus.

I look forward to the day when Turkey can be welcomed into the family of European nations. There are major obstacles to that, but I congratulate the British Government on maintaining contact with Turkey during the British EU presidency and on making sure that Turkey has not been excluded from EU affairs at a critical stage.

We all share the disappointment at the further militarisation of the island, the addition of military hardware, the overflights we have seen and the inevitable increases in tension which have resulted from that. We all share the view of the hon. Member for Chipping Barnet (Sir S. Chapman), who wished the three special envoys well. I understand why Richard Holbrooke has had other priorities, but I hope that he will now give his full attention to the problems of Cyprus, because America is a key player.

Britain is also a key player. We are in a unique position in respect of the island of Cyprus as a guarantor nation. If I am to express any disappointment about the position of the Government, it is that I do not think that sufficient energy has been applied to the Cyprus question over the past six or seven months, and during the British presidency.

We last discussed the matter on 29 October last year—when we were nearing the end of the Luxembourg presidency—just after a summit at a place called Mondorf-les-Bains, a town which has slipped back into obscurity since that important meeting. I asked the then Minister for Europe what had transpired at the meeting and what progress the Government had sought and accomplished in terms of Cyprus. I expressed the view that the British presidency would put Cyprus at the top of the priority list, so key was the achievement of an acceptable solution there. Perhaps the guarantor powers should get together again to see what they can do to support constructively the communities in Cyprus as they try to achieve a peaceful solution.

An additional factor is the substantial Cypriot communities within this country. Perversely, those expatriates may be part of the key to the solution. If we can engender better understanding between the Turkish and Greek Cypriot communities in London and elsewhere in this country, we might achieve a better solution in Cyprus. Hon. Members feel passionately about this subject and often express the views of significant communities within their constituencies. However, we do not assist the peace process if we become too partisan—if we become two groups of cheerleaders in the House for the different communities in Cyprus rather than seeing the common view, which is that peace there is to the advantage of both communities and that a peaceful solution is encompassed within the bizonal solution for which we have strived for so long and within an understanding between the two communities of the tensions that surround them.

On that note, I will sit down, but I hope that the Minister will be able to explain the positive moves that the British Government can make in the next six months, which are as critical to the future of Cyprus as the previous six months and the six before that. While the European Union application is on the table, we must make substantive progress towards arriving at a satisfactory solution to the problems in Cyprus.

10.40 am

Mr. Andrew Dismore (Hendon): I have also recently visited Cyprus as a guest of Morphou and the Friends of Cyprus. Time is short and I shall make only a couple of brief points.

First, on the Loizidou case, I also visited people in the north with the consent of the Government of Cyprus and, as a lawyer, I had discussions with northern Cypriot lawyers. I was concerned at the approach towards the rule of law, which seemed to suggest that the Loizidou case was political and could, therefore, be ignored. We must get over the message to the Turks and the Turkish Cypriots that one cannot pick and choose as regards decisions of the European Court.

Secondly, a number of other cases have arisen on the back of Loizidou, including that of a Turkish Cypriot paediatrician who is also taking action against the Turkish Government because he is prevented from visiting the south to talk with his fellow professionals. We must convince the Turkish Government and Turkish Cypriots in the north that the ban on bicommunal contact on the island between people in the north and south must be stopped. If we are to have any chance of getting the two sides together, there must be contact between the two communities. The authorities have been unable to prevent such contact off the island—there have been contacts between professionals, business people and students.

If we are to have any chance of securing peace, those contacts must resume and I hope that the Minister will make it clear that we will do all we can to ensure that Mr. Denktas's ban is lifted forthwith.

10.42 am

Mr. Michael Trend (Windsor): I congratulate my hon. Friend the Member for Southend, West (Mr. Amess) on securing this important debate. In his excellent speech, he combined passion with clarity, which is a rare combination on such occasions.

Cyprus is a subject of deep concern to all parties in the House. It is an island with which the United Kingdom has had a long, historic association and a deep and continuing interest. My hon. Friend the Member for Southend, West and I regret the lack of progress in the matter recently, but the Cyprus question is a difficult one. Like many other contentious international areas that have been partitioned—Northern Ireland and Kashmir come to mind—Cyprus evokes heated debate, as the robust contributions from the hon. Members for Ipswich (Mr. Cann) and for Knowsley, South (Mr. O'Hara) demonstrated. Greece and Turkey hold different views on the status of Cyprus and so too do the legal Government of Cyprus and the so-called Turkish republic of northern Cyprus. Heated exchanges take place concerning the status of the various United Nations resolutions and treaties that govern the island. There are also tragic stories of atrocities and unfairness, displacement from homes and abuses of human rights. Pressure groups with their own agendas compete for political time and attention. They leap upon nuances of which speakers may be unaware. In short, it is a subject in which a misturned phrase can upset the best of intentions.

The Conservative party has paid close attention to developments in Cyprus. We condemned the brutal invasion in 1974. We drafted and secured the adoption of Security Council resolution 541 in 1984, which declared the Turkish Cypriot declaration of independence legally invalid. Since then, Cyprus has been discussed frequently in Parliament and elsewhere. The former Prime Minister, my right hon. Friend the Member for Huntingdon (Mr. Major), and both his Foreign Secretaries, Lord Hurd and Sir Malcolm Rifkind, raised the future of Cyprus with their Turkish and Greek counterparts. Sir David Hannay was appointed special representative to Cyprus to assist in bringing the two sides together.

Our high commission in Nicosia encouraged intercommunal contact. Britain provided soldiers to the UN force that was monitoring the green line. Malcolm Rifkind made the first bilateral visit by a Foreign Secretary to Cyprus in December 1996, when he held discussions with President Clerides and Mr. Denktash. Those positive developments have been preserved by the present Government. I also commend the work done in the area in the previous Parliament and since by our former colleague from Edmonton, Dr. Ian Twinn. May I also say how pleased the Conservative party was at the re-election of President Clerides. We work closely with the Democratic Rally party through the European Democrat Union and enjoy the electoral success of fellow centre right parties in Europe—it is rare these days. We will also await with interest the results of the elections in the north of the island and in Turkey, as they may materially affect the future of Cyprus.

Our concern for the future of Cyprus has not diminished since we lost office in May 1997. We want an overall settlement. We want peace and stability on the island, with the two communities confident in their own rights and responsibilities. A settlement would help both Greece and Turkey to normalise their relationship and reduce their defence spending. A settlement would reduce the tension between two NATO nations and that tension is very real. A number of disturbing events have taken place in the past few months. We do not want further militarisation of the island. The stand-off over the acquisition of missiles by the Government of Cyprus and the response by the Turkish Government are disturbing and highlight the importance of achieving a lasting settlement. We also understand the concerns voiced by Greek Cypriots about Turkish settlement in the north. A reduction in Turkish troops in northern Cyprus would improve the climate for a negotiated settlement.

All parties must accept that Cyprus is a great source of instability in the region. That is why the previous Government made great efforts to assist in providing a solution. Under the new Government, Britain should continue to be involved closely with the search for a solution and should support attempts to bring about a lasting settlement.

I must make it clear where the Conservative party stands. The UN "Set of Ideas"—bizonal and bicommunal—that was submitted in 1992 remains central to discussion of the island's future. Only the two communities can decide what is acceptable and what is likely to last. Britain's role should be to offer advice and provide support for UN operations on the island and for international attempts to mediate between the two sides. The Opposition do not support the confederation proposal of Mr. Denktas, nor do we favour measures that would perpetuate rather than remedy the present division of the island.

Britain, as one of the three guarantors of Cyprus with Greece and Turkey, has a special interest in the island's future. Our sovereign bases are of strategic importance. We will support the Government and the international community in attempts to bring about a peaceful and lasting settlement.

Conservatives support the European Union's decision to open accession negotiations with Cyprus, which was the main thrust of the speech by the hon. Member for Tooting (Mr. Cox). We hope that a solution can be found so that the whole island can join. As my hon. Friend the Member for North Thanet (Mr. Gale) said, we are firm in our belief that no country outside the European Union should have the power to veto EU membership. The criteria for joining are set out and countries that meet those criteria should be allowed in. That is a clear message for those who may try to block the accession or intimidate the recognised Government of Cyprus to prevent them from pursuing their application for membership.

I agree strongly with my hon. Friend the Member for Chipping Barnet (Sir S. Chapman), who said in his excellent speech that we should also support Turkey's aim to join the European Union one day, but only when it clearly meets human rights and other criteria. However, the handling of Turkey was one of the less successful aspects of the British presidency of the European Union. Instead of considering Turkey as a potential member and friend, the Government treated it as a threat and in return,

[Mr. Michael Trend]

the Turkish Government have turned their back on the EU for the moment. Turkey is a key NATO ally and has an important geopolitical role. We do not want Turkey to be turned away from the path of the west, as that will only endanger stability in the region, especially the stability of Cyprus.

The prize is great. Cyprus can expect to be host to almost a million United Kingdom tourists this year alone—perhaps more. It is a most beautiful island. More visitors will go there if it is reunited. Cyprus offers unique access to markets and a skilled, educated and energetic population of both Greek and Turkish origin.

The economic benefits of a settlement would act as a springboard for further growth and opportunity on the island. Overseas investment—from the United Kingdom, for example—would be strengthened and encouraged. We want a successful and united Cyprus, where both communities co-operate together freely, with confidence in their future and that of their shared island.

10.49 am

The Minister of State, Foreign and Commonwealth Office (Ms Joyce Quin): I join other hon. Members in congratulating the hon. Member for Southend, West (Mr. Amess) on his good fortune in securing this debate and on his choice of subject. There is no doubt, given his and other hon. Members' contributions, that this is a matter of keen interest, about which many hon. Members have a great deal of knowledge.

As my hon. Friend the Member for Tooting (Mr. Cox) said, although this is my first Adjournment debate on Cyprus as a Foreign Office Minister, I have spoken in similar debates from the Opposition Front Bench, and so I have been obliged to reflect on what has changed in the past few years. Since the de facto division of the island some 25 years ago, progress has been frustratingly slow, but some new elements in the current situation should encourage us to make strenuous efforts to ensure that a settlement is reached.

The Government's position is clear. We remain committed to working for a comprehensive political settlement that would bring the two communities of Cyprus together within a single, sovereign state. The international community has also made it clear that it wants that state to consist of a bicommunal, bizonal federation and that such a state would have its independence and territorial integrity safeguarded. Moreover, the political settlement should exclude any form of partition, secession or union—in whole or in part—with any other country.

I am glad that, in this debate, there has been cross-party support for that approach, to which we have subscribed for many years. I am also glad that there have been few efforts to make distinctions between the policies pursued by this Government and the previous Government—or, indeed, by other political parties. I noted a slight remonstrance from the Liberal Democrat spokesman to the effect that the Government have been back-pedalling or going slow, but I do not accept that that is so. Since I took up my current post at the end of July, I have been struck by the number of meetings and initiatives on Cyprus in which we are involved and the proportion of my time that is taken up with the matter, although I do not regret that. Now that the United Kingdom no longer has the presidency of the European Union, some of the initiatives may not receive as much publicity, but we are none the less actively engaged in a variety of ways, to which I hope, despite the shortness of time, I shall be able to refer.

We subscribe and determinedly keep to the policy that I have outlined for a number of reasons. First, in 1960, both sides agreed to a single state based on political equality between the two communities as the basis for the newly independent Cyprus; it seems reasonable to assume that, with international help and advice, they could do so again. Secondly, although I understand the fears and insecurities of people in both communities, we remain convinced that a united Cyprus in which the rights of both communities are respected is the best assurance of the future security and prosperity of all on the island of Cyprus. We believe that the two communities can create a way ahead that would allow a united, stable and prosperous Cyprus to enter the new millennium. We should be encouraged by the efforts that have been made in other situations across the world, including some close to home—in Northern Ireland—to achieve a settlement even when the historical circumstances have been difficult. We must focus on what we can achieve and bend all our efforts to that end.

As has been said, the United Kingdom is in a unique position, not only as a guarantor power, but as a permanent member of the United Nations Security Council and as a member of the European Union. Given those three elements of responsibility, we are committed to using our position to do all that we can to bring about a just and lasting settlement. A solution must be achieved through peaceful dialogue, which is why we support the UN Secretary-General's efforts to broker a settlement. We believe that his approach offers the best way forward; indeed, we committed ourselves to making progress in that way at the UN General Assembly in September, when the Secretary-General and his staff held talks on Cyprus with the different countries involved.

The support of the Secretary-General's mission of good offices is important, and I was pleased that the hon. Member for Chipping Barnet (Sir S. Chapman) referred to the work on the island of Dame Ann Hercus, to whom I pay tribute. She is a well-respected New Zealand politician, who we believe can make a real contribution; her efforts to develop on-island contacts between the parties to reduce tensions and promote progress are extremely important. Our representative Sir David Hannay, who was also referred to, continues to be extremely energetic and to work closely with Dame Ann Hercus, which we should all welcome.

On the new elements that I mentioned, we welcome all attempts to think constructively about a settlement for Cyprus, but we do not believe that Mr. Denktas's proposals are consistent with the objective of a bizonal, bicommunal federation. My hon. Friend the Member for Tooting mentioned Cyprus's application to join the European Union, which we very much welcome. I have read the columns of *Hansard* to which the hon. Member for Chipping Barnet referred; they do not read ambiguously to me, but I assure him that we do not accept that anyone has a veto on the process of EU accession. Obviously, we want moves towards a settlement of the Cyprus problem to proceed as quickly as possible, but that is not a pre-condition of accession.

None the less, we attach importance to associating Turkish Cypriots with the accession process, however difficult that may be. We regret the continuing Turkish Cypriot refusal to take up the offer of participation in the team that is negotiating the terms of accession. We and our EU partners believe that it would be in their interests to do so, and we shall continue to point out the benefits of such participation.

Some hon. Members referred to the often very good relationships between Turkish and Greek Cypriot communities in the United Kingdom. When speaking to representatives of both those communities, I have often detected a great deal of support for the idea of Cyprus belonging to the European Union; they feel that accession would be in the interest of Cyprus's prosperity and that it should proceed constructively. It will be much better if the Turkish Cypriots take part in the process, but they do not have a veto and neither does Turkey.

Some hon. Members referred to military tensions. I agree that we do not want those tensions to increase either in Cyprus or in the neighbouring region, and we have urged restraint on all sides.

World Trade Organisation

11 am

Dr. Howard Stoate (Dartford): As the only general practitioner among Labour Members of Parliament, my main area of interest is health policy: how we treat our citizens when they fall ill or are injured, and how the national health service is organised to meet their increasing needs.

A major plank of the Government's health plans is to improve our health through public health measures and preventive medicine, but it is becoming increasingly obvious that environmental factors have a significant impact on health. The incidence of asthma in children has risen by 50 per cent. in the past 30 years; the next generation is already suffering from the mistakes of the last.

The World Health Organisation claimed last week in *The Independent* that 30 per cent. of cancers of the breast, colon and prostate are associated with nutrition; the *Journal of Epidemiology and Community Health* has just published a report linking air pollution with some childhood cancers; and holes in the ozone layer are leading to an increase in skin cancer. The fact is that the incidence of cancer is increasing: breast cancer has doubled in the past 50 years, sperm counts are falling and there is increasing evidence that there is a close link with environmental factors; but we do not yet understand the scale and scope of the problem.

It is becoming increasingly clear that, if our initiatives on public health are to bring significant results, "Our Healthier Nation" needs to live within our healthier planet.

My constituents in Dartford regularly raise animal welfare concerns with me, through correspondence and meetings. We are an animal-loving nation and we have many organisations that do important work to protect animals. Environmental, animal welfare and health issues are inextricably linked. Wild animals rely on the environment for their habitats, and domesticated animals are affected by our attitudes to farming and meeting the world's food needs. Our responses to the challenges posed on environmental issues will have a direct impact on the health of individuals and populations throughout the world.

Over the past half-century, our food and the methods used to produce it have changed beyond recognition. The use of growth hormones, antibiotics, pesticides and other chemicals has hugely increased food production and yields but it also affects the health not only of our people but of the planet.

The revolution in food is not over. Scientific advances are bringing further benefits and further threats. Genetically modified food is already on supermarket shelves and seems set to increase rapidly in the future.

New farming methods used in raising livestock have taken our exploitation of animals to extremes that many—some quite literally—find unpalatable. Changes in food production and distribution methods have brought great advantages for consumers. The market now offers consumers an enormous range of food and drink from all continents.

Choice has never been greater, and the great British consumer has learnt to exercise that choice and to use his or her economic power to bring positive benefits. Notably,

[Dr. Howard Stoate]

CFCs in aerosols have been banned, thanks in large part to consumers who switched to buying the less harmful and, importantly, similarly priced alternatives. It is now difficult to find tuna that has not been caught with rod and line, which helps to protect dolphins. Producers have had to change their methods or lose their markets. Cruelty-free cosmetics are continuing their rise in popularity, reflecting the public's concerns over animal testing.

The consumer movement has had its successes and its failures. The markets for environmentally friendly detergents and fairly traded goods have not—so far—developed far enough to bring about the changes in buying patterns needed to transform production methods. Consumer-led changes in the market are possible only when alternative products are available and can compete in the marketplace on both quality and price. There will be occasions when Government action is needed, to offer incentives for certain production methods and disincentives for others.

The marketplace is now global; the problems are global; and solutions must also be global.

Trade is a good thing. Trade liberalisation is, in general, to be welcomed as it increases prosperity. Economic protectionism is almost always short-termist and short-sighted. It is better for all concerned if trade takes place in a rules-based system. A free-for-all leaves weaker economies at the mercy of the stronger. I support the general agreement on tariffs and trade—GATT—and welcome the creation of the World Trade Organisation.

I support the WTO's desire to press liberalisation further in the millennium round, as that could have a positive impact on existing protectionist practices such as the common agricultural policy; but I called for this debate because, in my view, the WTO has failed adequately to address the social, environmental and animal welfare issues in our global trading network.

In fact, I do the World Trade Organisation a disservice. Rather than simply failing to address the issues, it has, through its actions, worked against the implementation of measures introduced to protect our environment.

The essential principle of the GATT system is non-discrimination. Countries are not allowed to discriminate against imports on grounds of country of origin, or to favour their own producers. That does not mean that there are no grounds on which they are permitted to discriminate. Article XX of the general agreement allows exceptions to World Trade Organisation rules under certain circumstances. One such exception is for

"measures necessary to protect human, animal or plant life or health."

Unfortunately, WTO rulings in practice have often led to judgments that have not protected humans, animals or the environment.

There are many examples: legislators and citizens throughout the European Union have expressed concern over the use of growth-accelerating hormones in cattle. Although there is no absolute proof, there is strong evidence to suggest that those chemicals can cause an increase in cancers and male infertility. In reaction to that concern, the European Union introduced a ban on the sale of meat and meat products from animals on which six specified hormones had been used to accelerate growth—a ban which, it should be noted, was to apply equally to domestic and foreign producers in an entirely non-discriminatory manner.

The ban was challenged by the United States on the grounds that it imposed unfair trade barriers. The World Trade Organisation panel ruled that the ban would violate world trade agreements and was not scientifically justified, but it admitted that the hormones in question have a carcinogenic potential. That decision favoured the US in allowing its hormone-saturated beef into the European market, but the US does not always get its own way. In 1990, environmentalists in America passed an amendment to the Clean Air Act requiring oil refineries to produce cleaner petrol. The law would affect areas such as Los Angeles that are classified as grossly falling below clean air standards. Required improvements were to vary depending on a baseline of standards achieved in 1990.

The problem, and the reason for World Trade Organisation involvement, was that it was impossible to obtain accurate baseline figures for petrol produced in refineries outside the USA. It was decided to use as a base figure the US industry average, which ensured that imported petrol sold from 1990 onwards in areas with specific clean air problems would have to be cleaner than the US average of 1990, while the US industry would have to clean up its own supply in order to access the same markets.

The appeal this time came from Brazil and Venezuela, which claimed that the system unfairly excluded their dirtier and more polluting fuel from the US market—and they won. The World Trade Organisation again sacrificed environmental and public health concerns on the altar of unrestricted free trade. The US Environmental Protection Agency was forced to introduce less effective regulations, thus setting back the aim of cleaner air for American cities.

It must be galling for environmental campaigners to have worked hard for years within the democratic process to implement legislation, only to have all their good work undone.

Much publicity has been given recently to the so-called shrimp-turtle case, in which US measures to ban imports of shrimps caught in nets that also trap and kill turtles were deemed illegal. Free trade ideologues argue that under GATT, a state is allowed to protect only its own wildlife, not that of other countries. The situation is more complicated than it seems, and charges of protectionism have been levelled at the US.

On closer inspection of the details of the shrimp-turtle ruling, it appears that the judgment was not as damaging to environmental protection as the headlines suggest, and that the US was guilty of banning all imports from particular countries without distinguishing between those caught in turtle-friendly nets and those not. I look forward to hearing the Minister's views on the implications of the shrimp-turtle ruling, and a statement from the British Government on their approach to the problem.

This may sound an arcane or academic dispute, but far from it. News came last week that Canada is taking the French Government to the WTO to complain about a French ban on white asbestos, yet in France alone, 2,000 people a year die of cancer caused by asbestos. I urge the

Government to support the French case robustly and, more importantly, to introduce a ban on white asbestos in the UK as soon as possible.

There have been threats from American-based multinationals to take the UK Government to the WTO if they seek to limit the introduction of genetically modified crops or food to the UK. I hope that the Government will resist that pressure. If there are concerns about the impact on either human health or the environment, our Government have not only the right but a duty to act.

I accept that the WTO has a difficult job to balance its judgments between extreme protectionism and total free-market deregulation. A third way needs to be found between those two positions; note that I got the third way in there—I thought it important to do so. The WTO must draw a line when deciding which restrictions are justified and on what grounds. It has acted decisively and strongly and drawn a line in the sand, but unfortunately it is in entirely the wrong place.

In these decisions, the WTO seems to be saying that it will not allow Government to have any control over production methods of imported food. It will intervene only when we can prove that food kills people. The bias is weighted too far in favour of unlimited free trade and against our health and environment.

The WTO fails to distinguish between non-product process and production methods. Those are methods of producing goods that cannot be seen in the final product. I could not distinguish by sight or taste between two bananas, the first grown on a small farm in the Caribbean, providing essential jobs and a strong economy for the home nation, and the second grown on a huge, intensively farmed plantation using large quantities of pesticides and owned by a multinational corporation.

The WTO can recognise the differences in process and production methods, but chooses not to. Current practice does not allow distinctions based on different production methods to be made, irrespective of the damage that some methods may cause. My criticism of the WTO is that it has taken anti-protectionism too far and effectively banned the legislation that is needed to improve our environment.

I want the Government to press our European Union partners and other GATT signatories to recognise the right of nations to take action to discourage socially and environmentally damaging processes. It is already accepted that it is allowable to ban goods that are produced by slave or prison labour. It should be equally allowable to ban goods that are produced in an environmentally destructive manner. The Government should press strongly for the right of states to take measures to protect the health and well-being of their populations and environment.

The primary purpose of GATT is to

"raise the standard of living, ensure full employment and economic growth, develop the full uses of the resources of the world and expand the trade in goods".

I do not believe that that purpose and social and environmental protection are mutually exclusive. The essence of the third way—I put it in again, please notice—in this and other sectors is that, although we cannot have the best of both worlds, we can eradicate the worst. We can have environmental legislation without preventing the global market from operating effectively. We can accept the reality and the benefits of trading within a world market economy without sacrificing social and humanitarian values.

Considering its power over everyone's lives, the WTO is a shadowy and secretive body; the Monetary Policy Committee of the Bank of England is a model of democratic openness by comparison. The WTO is staffed mainly by trade professionals who place the goal of liberalisation above all else. It is resistant to the notion of dialogue with civil society. Its appellate body, which adjudicates on disputes, is shrouded in so much mystery and jargon that few outsiders have a chance of understanding what is going on, let alone influencing it.

The British Government should lead a campaign to open up the WTO's workings. These issues are too important to be left to professional trade negotiators. We all have a stake in the outcome. We have a right to know what is going on and to make representations if we do not like the way things are going.

The key to the operation of any rules-based system is, first, how the rules are written and, secondly, who interprets and applies them. There is certainly scope for the GATT clauses on social and environmental protection to be made clearer and less ambiguous, but there will always be room for dispute about the precise meaning, so the role of the WTO and the way in which it adjudicates on disputes is crucial.

Developing countries' Governments are often suspicious of talk of building environmental protection into global trading systems. They see it as yet another way in which the rich north will exploit them: a smokescreen to hide economic protectionism to keep their goods out. There is no doubt that some of those who argue against trade liberalisation on ostensibly environmental grounds are motivated more by selfish than by altruistic concerns.

We need to find ways to structure the system so that developing countries' fears are reduced. More openness would help here, but there is a still greater need for some acts of good faith by the developed world to demonstrate a willingness to dismantle protectionist barriers. In effect, there is a need for a new global bargain, in which the developed world ends some of its existing, unjustifiable discrimination, in return for the developing world accepting the legitimacy of discrimination against products and processes that damage the environment or involve unacceptable social practices.

Financial incentives for environmental, social and animal welfare production methods can be introduced. Technology transfer, aid, grants and loans should be used to assist developing nations to attain the economic growth that they need without a similar growth in pollution. Consumer power must be enhanced with mandatory labelling schemes, so that shoppers are aware of how the products that they are choosing reached the shelf; the emphasis of the WTO must be moved from suppliers to consumers. Most importantly, we must work to establish multilateral agreements on a wide range of issues to ensure that pressure for action on environmental and animal welfare issues is broad based and international and can deliver results.

I ask the Minister to address these issues, in partnership with our friends in Europe, the Commonwealth and the rest of the world, in the next WTO round next year. I believe that a reasonable balance can be found between

[Dr. Howard Stoate]

trade liberalisation and environmental protection and animal welfare. I urge the Government to make that a high priority in their negotiating objectives for the next WTO round and to take the lead in persuading our partners throughout the world to do likewise.

Matters of this importance to the entire global economy and environment must not be left in the hands of unaccountable trade negotiators; such delicate matters must be under democratic political control. Last year, the EU trade commissioner called for a high-level meeting to take the trade and environment agenda forward. I look forward to hearing from the Minister what has happened since, what the UK is doing to ensure that such a meeting takes place and what he proposes to offer for our side of the bargain.

The Prime Minister said at this year's WTO ministerial meeting:

"Governments need to consider the environmental impact of everything they do, including in the trade sphere".

I wholeheartedly agree. We also need to ensure that further liberalisation does not undermine existing, hard won standards of social protection. How then do the Government propose to ensure that environmental and social concerns are at the heart of the millennium trade round?

If we get the agenda right, the next 50 years can be as successful in promoting trade as the last fifty. If we do not, we will see a gradual but steady erosion of free trade as the backlash takes hold. We have already seen the beginnings of that with the American public's hostility to the North American Free Trade Agreement. A Government committed to freeing the global economy from restrictive practices cannot afford to ignore people's legitimate concerns to safeguard the environment and social protection. I am confident that this Government will not make that mistake.

11.16 am

Mr. Norman Baker (Lewes): May I first say how pleased I am that this debate is taking place and congratulate the hon. Member for Dartford (Dr. Stoate) on his comments? I agree with virtually everything he said. He crammed a lot into 15 minutes. I hope that, today, we will receive some assurances from the Minister that the Government view the matter with the same gravity as the hon. Members who are present in this reasonably well-attended debate on a Wednesday morning. I hope also that he will tell us how they intend to tackle this hugely important matter.

May I remind the Minister that an early-day motion on this very subject, which I tabled with other Members earlier this session, has now been signed by almost 100 Members? It shows clear support and concern for the thrust of this debate—concern that is cross-party, I think—and Members' determination to ensure that the Government take this issue seriously.

I believe that the Government's intentions are honourable and sensible in this matter, but I wonder whether they have the will power; I hope that I will have the assurance today that they do.

The hon. Member for Dartford mentioned genetically modified food. I raised that matter with the Minister of State, Ministry of Agriculture, Fisheries and Food, who has responsibility for food safety, in the Select Committee on Environmental Audit. There was great sympathy from him on that occasion, but he said, "We are not in the driving seat"—that was his exact phrase.

That may be true, but the Government must get into the driving seat and ensure that they control events. It may not be easy. There may be opposition from the American Government and others, but the Government have to force this issue and ensure that the environmental, animal welfare and social concerns that all hon. Members share, I think, are taken into account. They must not throw up their hands and say, "We cannot do anything about it." I hope that the Government will take that seriously; I am confident that they will.

Of course my party supports free trade—that is nothing new from Liberals—but we are not Manchester Liberals. We think that the market has to be regulated to achieve social, environmental and welfare ends. Part of the problem with the WTO is that it could stand for Welfare Taken Out, for the reasons cited by the hon. Member for Dartford. We must have free trade, but we must not be afraid to regulate it. There would be no reason for our being here if we simply let the market rule without trying to influence it. That is why we have specific concerns about the WTO and the general agreement on tariffs and trade.

Environmental, social or welfare concerns raised by any nation or group of nations are being challenged across the world. The lowest common denominator will triumph unless our Parliament and the world community prevent that. The basic rules of GATT are being manipulated towards that end, although that is not GATT's purpose. The original purpose of GATT must be re-emphasised.

The hon. Member for Dartford set out his several examples extremely well. There is a conflict between different international agreements. We have WTO and GATT on one hand, and other agreements such as the Convention on International Trade in Endangered Species—CITES—and the biodiversity convention on the other; and we should overcome this disparity. The hon. Gentleman referred to turtles, a case in which the Americans—the good guys this time—are trying to honour CITES and to protect the turtles. Opposition has made protection difficult, however. We must clarify these international agreements.

Then there is the ban on the import of fur derived from the use of leg-hold traps. Hon. Members on both sides find it abhorrent that animals can be trapped in that way. They suffer for days on end, and either have their limbs chewed off by the traps or chew their limbs off themselves so that they can escape. We are importing fur to satisfy consumer demand, but even those consumers who want fur do not want animals to be captured in that way. However, we appear to be stuck with it. European Union attempts to introduce a sensible animal welfare policy on fur trapping have been challenged. It cannot be right that a small group of people who have a narrow vested interest in retaining the status quo can wipe out the rest of the world's concerns. The Government and the EU must have the backbone to challenge that opposition.

Social, environmental and animal welfare concerns also raise what might be called selfish issues for United Kingdom producers. Participants in Monday's agriculture debate may have heard me mention that our farmers

produce chickens to given standards, but are being undercut by the import of chickens from Thailand that are processed in the UK, then labelled British. Whenever we accept a lower welfare standard, we fail to raise welfare standards in other countries, and we face the danger that the higher standards that apply here will be driven down. Consumers believe that those chickens are British because of their labels. The consequence will not be that Thai farmers will stop keeping chickens in poor conditions, but that British chicken farming, which has higher standards—although conditions for British chickens are not brilliant—will close down because it is uneconomic.

Parliament should set an example, and should set out the ideals towards which we should strive. Basic decency says that animals should be treated acceptably. We must look after the environment, too. We cannot have standards driven down by international agreements that have been misinterpreted and skewed by small interest groups. If we are not successful in changing international rules, what is the point of having higher standards?

We should take a warning from the case of veal crates. We banned them, but the veal consequently imported from Europe is reared to much lower standards. We must get international agreement on such matters; otherwise, the good work done in the UK will be undermined elsewhere.

I want to mention two measures that the Government could take. First, article III of GATT could be amended to allow countries to distinguish between products on the basis of the way in which they have been produced. Secondly, article XX could be strengthened to allow trade measures to protect human, animal and plant life. Many hon. Members wish to speak in this debate, but I hope that my hon. Friend the Member for Portsmouth, South (Mr. Hancock) will be able to catch the Speaker's eye.

11.24 am

Mr. Lawrence Cunliffe (Leigh): I want to deal with animal welfare, which is close to my heart. I am a trustee of Animal Defenders, an interest I declare now.

Aside from great political issues, the issue most raised in my postbag, and in those of most Members of Parliament, is animal welfare. Animal rights have come to the forefront over the past decade, and increasingly so during the past year or two. Many of us will remember the recent emotional debates on hunting with dogs, and the substantial vote against it. I was fortunate to be drawn to ask a question at the last Prime Minister's Question Time before the summer recess, and I asked my right hon. Friend to undertake to honour our party's pledge to deal with hunting with dogs, and to bring in a total ban on that detestable and despicable activity. I do not forecast that that will happen in the next Queen's Speech, but I expect it to be in the one after because of indications that have been floated. I am disappointed that the time has not yet come, but it will come over the next couple of years. The House will have another free and democratic vote on hunting.

Debates of this type are understandably emotional. However, we have all witnessed the cruel treatment of animals on our televisions. Experimentation and the transport of live animals for slaughter are unbearable to many people, especially young people—from students to primary school children. The advance of computers and new technology into the classroom has created a growing potential for involvement by those youngsters, and that augurs well for the character of British society. That—if I may use the phrase—is the British way.

Our minimum standards for the export of animals mean that sheep are packed in by the hundred. Huge transporters, four tiers high, are used in Europe. There is supposed to be a mutual agreement that sheep must be watered after eight hours, but it does not happen. The average time without water is between 18 and 24 hours. I am told that sheep sometimes go 36 hours without feed of any kind.

Horses and ponies are sent in their thousands for slaughter abroad. As deputy leader of the British delegation to the Council of Europe, I know that countries have joined that organisation from eastern Europe where, with all due respect, people are indifferent to animal welfare. There are many circuses in that part of the world. We have tried to plead with delegates to introduce a code of conduct and to bring humanity to the care of animals.

To return to an earlier point, because of appalling slaughtering standards, the Government do not allow certain animal exports. The hon. Member for Lewes (Mr. Baker) noted the existence of conflicting standards.

I cannot mention the establishment in question because it is in the constituency of another Member who is not present, but I recently tabled an early-day motion:

"That this House condemns the appalling and deplorable trade practice at establishments that breed cats and kittens for the vivisection industry and sell them to laboratories worldwide; notes that some of these kittens are only six weeks old when they are subject to horrific experiments; and calls upon the Home Secretary to investigate this cruel trade".

Police protection for the establishment concerned has cost £1.5 million of taxpayers' money. There are others, unfortunately, involved in a cruel trade with barbaric practices that puts profit before humanity.

More and more people believe that it is morally wrong to cause animals to suffer and die in the laboratory. We know that laboratory animals feel pain in the same way that we do. The law acknowledges that and science accepts it, too. Thousands of animals suffer and die in research laboratories to test cosmetics and toiletries such as lipstick, soap and shampoo. Many such products, which we use every day, have been paid for with suffering. Drips are put into the unprotected eyes of animals, rubbed into the raw, shaven backs of guinea pigs or forced down the throats of rats. I do not want to describe such things because the result is obviously not beautiful. We must consider when purchasing such things whether we should give the producers concerned our custom.

I want to say a few words about circus animals. Many hon. Members will have seen the recent video "The Ugliest Show on Earth". Only last week, a circus came to the field next to my home. No matter how well housed the animals were, or how much the circus tried to say that their welfare was assured, I could hear animals howling during the night. It was obvious that they were bored. It is a contemptible method of subjecting them to something unnatural. I went to the local authority, which is Labour-controlled, and which I used to lead, and pleaded. I asked why it had given these people a licence but there was no law that could stop it. The land was private. The circus was to stay for seven days. It could apply for 10 days; it stayed a fortnight. Unfortunately, we cannot control these things unless we want to legislate.

[Mr. Lawrence Cunliffe]

Animals do not smoke, drink alcohol, drive, use paints or drop bombs, but we do. If we do those things, why should they suffer for our weakness?

11.33 am

Dr. Nick Palmer (Broxtowe): I declare a general interest in that I advise Novartis, a multinational company. It may have an interest in the matter, but I do not know its particular views. I congratulate my hon. Friend the Member for Dartford (Dr. Stoate) on his excellent summary of the problem. He reflected the concern of many hon. Members and many among the general public.

We recently debated the multilateral agreement on investment. A broad spectrum of people mobilised opposition to the agreement as it stood, because of concerns about its impact on developing countries and their ability to protect their development in an environmentally friendly way that would be acceptable to most people in Britain. Many were surprised by the breadth of the opposition to the agreement in the form in which it stood, yet the discussion on the MAI was largely on the relatively narrow issue of the rights of developing countries. That is an important issue, but it engages only a certain number of non-governmental organisations.

In the Word Trade Organisation debate, concern comes from a very broad range of NGOs. There are the groups concerned with the environment. We all recognise now that the environment of one country affects the environment of all others. There are groups concerned with development and social issues, both in the third world and closer to home, and groups concerned with animal welfare. The hunting debate showed that the animal welfare organisations can mobilise massive popular support.

I predict that in many countries, but especially in Britain, if those groups together come to the conclusion that our policy on free trade is against the interests of their collective concerns, there will be a massive backlash against free trade, which is not in anyone's interests, because free trade has brought enormous benefits. We must ensure that the free trade agenda is not hijacked by narrow interests that are contemptuous of or indifferent to the concerns that we have raised. In the long run, that will damage us all.

In principle, the WTO and the organisations that expressed concern enjoy broad consensus. Nearly everyone agrees that free trade within reasonable limits is a positive thing, which has brought many benefits. Most people agree that environmental concerns are appropriate. We are all periodically nasty about ruthless capitalist companies that try to exploit the environment, but the reality is that relatively few companies have an active interest in eradicating life and destroying the environment around them, because it is bad for business. The companies accept in principle that they benefit from sensible environmental rules if they are stable, fair and non-discriminatory.

In the same way, in western Europe and north America, but in many other countries as well, it is accepted that it is desirable that production methods do not inflict great harm and suffering on animals. In particular, it is widely accepted that consumers should have the option of avoiding products of whose production methods they do not approve. It is not widely recognised that it may be illegal to inform consumers about the way in which products are produced in certain circumstances.

Most people believe that the rules on free trade simply mean that we must not be discriminatory, that we cannot pass a law saying that we will buy only British beef and stop anything else at the border. Most people accept that that is reasonable. It is not so broadly recognised that, under the rules as currently interpreted, production methods cannot be the subject of national legislation.

The classic example is the battery hen. One cannot tell by looking at an egg whether it was produced by a battery or free-range hen. Under the interpretation commonly applied by the WTO and the general agreement on tariffs and trade, we are not allowed to discriminate against battery hens or battery hen production, because we are allowed to consider only the end product.

The problem is that the overwhelming majority of ethical concerns—social, environmental, third world and animal welfare—relate to the means of production. I do not know anybody who wants to ban eggs, but I know many people who are concerned about eggs produced by intensively reared hens. I should like the Minister to accept that, in the interests of the long-term development of free trade, there is a need to seek a non-discriminatory way of addressing the problem of the means of production.

There are precedents for this. As the hon. Member for Dartford said, when the general agreement on tariffs and trade was set up after the war, prison labour was specifically excluded from the areas in which discrimination was not allowed. It is possible to say that we will not take goods produced by prison labour. That was a specific exemption created during the post-war period, under the shadow of Nazi work camps, and it stands in isolation. As I understand it, it is thought not to be possible to introduce discrimination against products from bonded labour or child labour. There is a clear inconsistency, which I hope will give the Minister some leverage to enable him to make progress.

I should like to ask some specific questions of the Minister. I shall be brief, because I know that other hon. Members want to speak, and I hope that we can leave the Minister time to address the issues.

First, what does the Minister see as the main obstacles to progress? If he accepts that there is a problem, how does he envisage tackling them? Secondly, the European Union has said for some time, through the Commission, that it has been considering raising these issues at a high-level meeting before the next WTO conference. Will Britain take the initiative on the Council of Ministers to instruct the Commission to include these topics in its negotiating package and to prepare proposals to address the problem? In that way, Britain and Europe could be seen to be taking a lead.

Thirdly, will Britain support proposals along the lines urged by Compassion in World Farming and the Royal Society for the Prevention of Cruelty to Animals, which have been active in these matters, to reinforce article XX of the general agreement on tariffs and trade, allowing nation states to take account of these matters? That was mentioned by the hon. Member for Lewes (Mr. Baker). I also agree that article III needs attention.

Will Britain promote discussion of a framework for mandatory labelling schemes for consumer information? Even those who feel reluctant to accept a relaxation in the rules to allow for welfare considerations accept that there is a reasonable case for consumers to know what the hell is going on, and how a product is produced. We need to be able to do that without being subject to international legal challenge. We should accept that the WTO would be able to examine a labelling scheme to ensure that it is not deliberately discriminatory, so that labels do not say, "British" or "Horrible foreign goods". We need to have the possibility of mandatory systems that will provide consumers with the choice they need.

With the failure of the multilateral agreement on investment in the present round, there is now a vacuum in fair trade and fair investment rules. The debate on the multilateral agreement on investment and the current WTO debate show the need for a multi-pronged approach, balancing increasing liberalisation with adherence to agreed minimum standards.

To take a slightly far-fetched parallel, it is a little like the Northern Ireland talks. It is difficult to make progress in one area unless the participants are confident that there will be a balance of progress in another area. The argument that we should agree to total liberalisation, and that the rest can be delegated to some animal welfare organisation, is not accepted by the groups involved, because they suspect, probably correctly, that they will be blocked in the later discussions.

The time is right for the Government to take a lead internationally, and to perform a real service for the world trading community by looking for a framework in which liberalised trade can be supplemented by ethical standards. I believe that most people would be extremely pleased if the Minister and his colleagues would take the initiative. We would all be proud of our country if we could bring about something along those lines to help solve this problem, which ultimately concerns so many people.

11.45 am

Mr. Mike Hancock (Portsmouth, South): I am grateful to the hon. Member for Dartford (Dr. Stoate) for selecting this topic, and for his coherent and comprehensive introduction to an important debate. He touched on a number of issues, which I hope that the Minister will address in some detail when he replies. In one of those issues—the current case being fought by the Canadian Government against the French on white asbestos—I hope that the Government will do all they can to support our French colleagues in resisting what Canada has done.

I can draw on a recent example in the Council of Europe. The Committee chaired by the hon. Member for Tooting (Mr. Cox), produced a report which would outlaw the use and manufacture of asbestos throughout the Council of Europe area. There was a pathetic display by the Canadian Government, who propped up the Russians. The Canadian Government tabled amendments on which the Russians had not been briefed, and they got the Russians to express points of view which contradicted their own standpoint on many of these issues.

The Canadians and the Russians did all they could to frustrate what was universally accepted in the room, except by those two nations, as something that would benefit the people of Europe. As has been said, asbestos has killed people by the thousand in our country every year, and many of us felt that its continued use was a breach of human rights. It is as much a death sentence as any execution carried out in the Ukraine or elsewhere.

We must be vigilant, and support nations who are prepared to tackle this issue. On this occasion, the Government should do all they can to support the French. More importantly, I hope that the British Government will show initiative in taking on board the resolution of the Council of Europe pretty damn quickly, and bringing it into law in this country.

The hon. Member for Leigh (Mr. Cunliffe) spoke for the overwhelming majority of hon. Members when he mentioned his frustration at not being able to pursue the hunting Bill. Since we have been back from the recess, we have had two non-working Fridays—presumably there will be another next week—and the House has gone home early three times. There would have been enough time to see that very good Bill go through all its stages. We would probably have had sufficient time to frustrate the frustraters.

That Bill could have become law if the Government had had the resolve that they suggested when they were in opposition. I hope that the Bill will come back. I should like to see it in the next Queen's Speech, but, if the whispers that it may appear in the one after next are correct, I hope that that is a commitment that the Government will not shirk, and that we will see the Bill come to fruition in the lifetime of this Parliament.

For the past 30 years, I have campaigned in my city for the banning of the export of live animals. It came to a head in the late 1970s, when we opened our own ferry port. Nobody who has travelled by car on a ferry containing animals in transit can fail to be moved and emotionally embarrassed by the fact that human beings can allow animals to be transported in such a way. I have been on ships in force eight or nine gales, during which the ferry companies have been embarrassed to allow people back to the car decks because of the noise of the animals. That continues.

Hon. Members have talked about the four-tier lorries transporting sheep across Europe. I witnessed an accident on the border between Romania and Hungary at the end of the winter. A lorry containing sheep had overturned, and 30 or 50 dead sheep were sprawled across the road; blood was pouring into the sand. That was the horrific consequence of a nasty accident. There were at least twice as many animals on the lorry as the law would have permitted in this country.

The ironic thing is that those sheep had originated in the United Kingdom, and had been moved on to the lorry that crashed on the Romanian border. Their onward transhipment was through Romania, Bulgaria, Turkey and then into the middle east. Animals reared in the UK and subject to the law of this country are being taken 2,500 miles across Europe and down into the middle east, and we do nothing about it. Most reasonable people would be horrified to know that such things go on.

In March, I tabled a written question

"To ask the President of the Board of Trade if she will raise the issue of the effect of the GATT on EU animal welfare directives during the World Trade Organisation Ministerial Conference in May".

[Mr. Mike Hancock]

The answer was:

"The European Communities' final position . . . is still under discussion."—[*Official Report*, 24 March 1998; Vol. 309, c. *110*.]

We held the presidency at that time. Why on earth did we not take that initiative on?

In July, I tabled a written question to ask the Minister of Agriculture what plans he had to raise the export of cattle from the European Union to middle eastern countries. The answer was:

"The Government have no plans to seek an end to the payment of export refunds on live cattle."—[*Official Report*, 24 July 1997; Vol. 298, c. *707*.]

It was implied that we should wait for the value of dead meat exports to catch up.

What a pathetic response from a nation that is supposed to care, and a Government who, in opposition, said that they would tackle these issues. It is no good saying that we cannot do it. I am grateful that we have signed up to the convention on international trade in endangered species. It is right that we are able to ban trade in endangered species, but surely we have a right and a duty to ban the cruel and inhumane transport and exploitation of animals that have been raised here. We cannot hide behind others any longer: we have to tackle this issue.

I am bitterly disappointed that, when we held the presidency of the European Union, we did not do more. Organisations such as Animal Defenders, the National Anti-Vivisection Society and Compassion in World Farming have campaigned for decades to make the public understand the cruelty that goes on. The hon. Member for Leigh (Mr. Cunliffe) talked about just some of the examples, including cosmetic testing and the blinding of animals to make sure that humans do not suffer. Most reasonable people are horrified when such practices are exposed, and rightly turn away from those products when they know.

Many people—the Body Shop is a classic example—have made a virtue of establishing their credibility within the marketplace by showing that it is possible to make a profit without inflicting cruelty. It can and should work. We have to make sure that such issues are not ignored in the House.

Too many of the people we represent believe that we have a direct responsibility to do something about animal welfare. I never cease to be amazed at how many times the issues are raised in the House and how little happens. In my previous existence as a Member of Parliament, the Conservatives were in power. What a pathetic example they gave of a party that is supposed to care. Their caring started and ended with the profit motive. They did nothing to establish proper care and responsibility for animal welfare. At the end of this Parliament, I do not want Labour Members who have loyally supported the Government to feel that they have been let down. I hope that the Labour Government have enough resolve and backbone to tackle animal welfare issues.

With so much human talent around, we do not need to exploit animals for our entertainment. Circuses that include animals should become a thing of the past—a thing that people talk about, but are delighted to know no longer exist. The exportation of animals and cruelty in the rearing of animals should be high on the Government's agenda. As many hon. Members have said, it is high on the agenda of many of the people we represent.

I hope that today the message will go out that once again, the House of Commons has spoken on behalf of the overwhelming majority of British people, who believe that it is the right time for the Government to do the right thing, to get behind the public, and fight on animal welfare issues. If that means fighting through the courts of the world, we should do so.

11.54 am

Mr. Vernon Coaker (Gedling): I shall make a short speech, because it is important that other hon. Members make some of their points, and that the Minister has time to respond.

I begin by congratulating my hon. Friend the Member for Dartford (Dr. Stoate) on obtaining this important debate. I wish to highlight one or two things, but first I want to set the debate in context. The issues on which we all receive most letters in our postbags are animal welfare and the social and environmental concerns that affect world trade.

When I visit schools or meet children elsewhere, they say things like, "Why is it that we continue to export animals in this way? Why is it that we continue to rape the rain forests? Why do we continue to use child labour to produce footballs or carpets?" When they say that sort of thing, it challenges me as a Member of Parliament or, indeed, as an adult. It challenged me when I was a teacher. I say, "You have to understand that it is a complicated situation. It is difficult to deal with the problem. There are all sorts of laws and difficulties in understanding how trade organisations work. There is something called GATT, and something called the World Trade Organisation." They reply, "But it's cruel. It's not right."

Such challenges from children to Parliament put the debate in context, and show that we really need to be judged by our actions. I sometimes feel that I am making excuses and explaining away something that it is difficult to explain away. I know that the Government are desperate to do something. Ministers do not believe in cruelty. They want to do something about it.

The purpose of today's debate is to generate even more passion, more desire and more determination in the Government to take on people who use—let us be frank—the cloak of free trade and the liberalisation of trade to continue practices that we regard as barbaric. They do not do so because they want to improve the lot of the people they pretend to represent. They do not do so to increase the prosperity of ordinary people. They do it to protect the profit of individuals in those areas, and they want to continue the exploitation.

None of us is opposed to trade. We all know that trade means prosperity. We do not want to pull up the ladder and say, "We are prosperous and well off, thank you very much. We don't want you to develop your industries." It is in that context that we need to discuss the issue.

In the approaching WTO negotiations, it is important that we understand and accept the key argument that the way in which something is produced or made is an important consideration for this country. We want the right to determine whether products are allowed into this country. That requires fundamental changes to our trading arrangements.

Free trade is one thing; the liberalisation of trade is another; but the exploitation of children, cruelty to animals and the rape of rain forests are something else

entirely. We have to ask ourselves some serious questions if we, as part of the civilised world and as a civilising influence on the world, are unable to sit down at the table and help to produce an agreement that protects the environment, supports decent labour standards for people in other countries and improves animal welfare standards, while simultaneously promoting prosperity and enhancing worldwide trade arrangements.

When the children I meet ask me what the Government—not the Labour Government, or the Conservative Government, but our Government, and our Parliament—are doing to address those serious issues and to ensure that we no longer have to witness some of the scenes described by the hon. Member for Portsmouth, South, I want to be able to tell them that we are trying to achieve something better.

12 noon

Mr. Gwyn Prosser (Dover): I shall concentrate specifically on live animal exports. In a previous life, I spent almost 30 years in the Merchant Navy, sailing on ships to the far east and crossing the channel. I have seen some of the suffering close up; I have felt it and smelt it and I know what it is all about.

The general agreement on tariffs and trade acts against our ability to ban live animal exports. Every year, about 500,000 animals are exported from the European Union to the middle east. We know about their suffering during the voyage and during their discharge at the end of the journey, in high temperatures and uncontrolled conditions. We know some of their suffering during the act of slaughter. It is beyond belief that the EU does not have the power to stop that evil trade.

That trade takes place much closer to home: every week, many thousands of live animals are exported through my constituency of Dover. I pay tribute to the local animal welfare organisations—especially Kent Against Live Animal Exports, of which I am a member—which have picketed, day and night and in all weather, over the past two years to try to bring an end to the evil trade. Dover harbour board wants to stop the trade and has tried to do so; the mainstream—one might call them "legitimate"—ferry companies want to stop it; yet still the trade continues.

The ordinary people who turn out, day and night, many without a political thought in their head other than the welfare of animals, cannot understand why our Government are unable to ban the trade. They cannot understand why the EU is unable to ban the trade from Europe to the middle east. They cannot understand why the free trade regulations completely ignore any principles of ethics or morality in their application.

I join in congratulating my hon. Friend the Member for Dartford (Dr. Stoate) on having covered the subject in depth and on managing to mention the third way twice—now it has been mentioned for a third time. I urge my hon. Friend the Minister to take to the negotiations the message that there is an urgent need to inject morality, ethics and fairness into all future negotiations.

12.3 pm

Mr. Alan Simpson (Nottingham, South): I speak as no supporter of free trade, and I take some comfort from the fact that the WTO does not believe in free trade either. The latest American research shows that at least 200 international cartels of major corporations are involved in global price fixing, but the WTO has absolutely nothing to say about that. The difference between my position and that of the WTO is that I believe that the next century will demand that we address two issues: one is the agenda for sustainable economics; the other is the need to establish responsible trade and production, rather than have a deregulated world economy that causes greater climate change and plunges us into climatic crisis.

I ask my hon. Friend the Minister to take account of four principles in the negotiations on the revision of WTO rules in which the UK is to be involved. First, we have to make a commitment to honour the achievements of my right hon. Friend the Deputy Prime Minister in the Kyoto negotiations. We must ensure that environmental responsibility and sustainability take precedence over all forms of international treaty that would undermine our ability, both locally and globally, to meet environmental protection targets.

Secondly, after the international triumph of organisations that scuppered the multilateral agreement on investment, which was secretly negotiated within the Organisation for Economic Co-operation and Development, the UK must not entertain the notion of that being introduced into the WTO by the back door.

Thirdly, we must enter the negotiations with the aim of questioning one of the key forms of protectionism written into WTO rules, which relates to intellectual property rights. The objections of countries in the developing world to the use of biotechnology patents to rape and pillage their genetic inheritance must be heeded. In India, half of the essential herbs that form the basis of ayurvedic medicine have been the subject of patent applications from European and US companies. We must restore the rights of self-development and sustainable development to the third world.

Fourthly, we must extend the rights of consumers to demand protection from the introduction of genetically modified crops, for which there is no public demand and which are the subject of large-scale environmental, health and social concerns that have yet to be adequately answered.

I ask that the UK's negotiating stance be based on the following commitments. Sustainability should take precedence over market deregulation. The precautionary principle, long established as the cornerstone of society's right to protection from adverse environmental and health consequences of new inventions, should take precedence over environmental exploitation. Democratic accountability should take precedence over the price mechanism. Finally, human, environmental and animal health should take precedence over the demands of corporate dividends and stakeholder demands. If we adopt such a stance, we shall be better able internationally to adhere to the amazing achievements of the Deputy Prime Minister in Kyoto, and to turn GATT into something with which the world can live, rather than something by which it will be destroyed.

12.7 pm

Mr. David Chaytor (Bury, North): I congratulate my hon. Friend the Member for Dartford (Dr. Stoate) on securing the debate. He has done the House a service in drawing attention to the increasing conflict between the globalised free market and the need for environmental

[Mr. David Chaytor]

protection. I am sure that the debate will continue over the coming years and will be the main subject of political debate in the next century.

The timing of today's debate is significant, given that yesterday my right hon. Friend the Deputy Prime Minister published a document outlining the way in which the Government will deliver their Kyoto commitments; and that last week the French Government decided to withdraw their support from the multilateral agreement on investment. It is worth dwelling on those two points because, in two weeks' time, the Government will be pursuing the Kyoto agenda at the Buenos Aires conference. Securing an agreement between the demands of the United States, China and the developing world on the setting of emissions limits, while keeping the wheels of free trade turning, will not only require great political skill, but will again heighten the tension between free trade and environmental protection.

On the subject of the MAI, I draw the attention of the House to early-day motion 1700, which appears on today's Order Paper. I urge hon. Members to read it and sign it if they feel able to do so. Although the MAI was only a small part of the much wider GATT agenda, it was significant, reflecting the changing climate in thinking on globalisation. Increasingly, the thinking now—not only in the United Kingdom but abroad—is that we can no longer accept the orthodoxy that we have been asked to accept for the past 50 years. Environmental concerns are increasingly at the heart of worldwide economic debates.

I want to ensure that the Minister has ample time to reply to the debate, so I shall conclude. However, I endorse the specific questions asked by my hon. Friends the Members for Broxtowe (Dr. Palmer) and for Nottingham, South (Mr. Simpson), which I hope that the Minister will be able to answer in detail.

Today, we have discussed reform of the World Trade Organisation and its limitations in dealing with environmental matters. Perhaps a much bigger issue is the nature of the international institutions that have developed in recent years, and whether those organisations are capable of dealing with the new economic situation that we now face. I wonder whether the WTO, for example, can ever be reformed to deal fully with the sustainable development agenda, or whether—given that we have not only a World Health Organisation but a World Trade Organisation—we now need a world environment organisation.

12.10 pm

Mr. Christopher Chope (Christchurch): I, too, welcome this debate and congratulate the hon. Member for Dartford (Dr. Stoate) on the way in which he introduced it. I do not know whether he admitted to this, but I suspect that the debate was much inspired by a stimulating report by the RSPCA entitled "Conflict or Concord? Animal welfare and the World Trade Organisation", to which I shall refer later.

We have had a wide-ranging debate, which included references to circuses and hunting. I shall concentrate my remarks on the main subject of the debate—world trade—and welcome the general support for free trade that has been apparent in hon. Members' speeches.

I should like to concentrate on one specific example, so that we might try to draw some lessons from it. I make no apology for referring, again, to the issue of the plight of the British pig industry.

Pigmeat is the United Kingdom's most popular meat. Last year, consumers spent an estimated £5.9 billion on pigmeat—pork, bacon, ham and other pigmeat products—which represented almost 40 per cent. of all spending on meat and meat products. The previous, Conservative Government, with all-party support and support from consumers, introduced regulations that have given our pig industry the highest welfare standards in Europe and probably in the world. I am sorry that the hon. Member for Portsmouth, South (Mr. Hancock) was not prepared to give credit to the Conservative Government for the progress that they made on that matter.

This morning, some hon. Members had the privilege of attending the pig industry's "Big Pig Breakfast". I was delighted that that gathering was attended by the Agriculture Minister, as a demonstration of his solidarity with farmers in their concerns. At the breakfast, a Scottish pig farmer—it is relevant that I should refer to him, as the Minister who will reply to this debate is a Scot through and through—made the important point that he is losing £23 pounds per pig. Those losses include about £4 per pig in additional welfare costs that he, unlike his competitors, must pay; £3 per pig to dispose of the meat and bonemeal that he is not allowed to feed back into his pigs, although farmers on the continent can do so; and £7 per pig because of the high value of the pound.

There is a grave danger that, from 1 January 1999, when the new welfare regulations on stalls and tethers are fully implemented, the number of pigs reared under those improved conditions will fall. Pigs reared abroad to lower standards and at lower cost will be substituted for the premium British product, resulting in reduced market share for our own producers. All those who have campaigned, quite legitimately, for higher welfare standards in pig production will find, ironically, that fewer pigs are produced to those standards because of our unilaterally introducing the regulations. That is not what the House intended or what British consumers or farmers wanted. I ask the Minister what the Government will do about it.

We should be able to differentiate our product and make consumers aware of, for example, the fact that only about 10 per cent. of Danish pig units are said to be free of stalls and tethers, and that as little as 2 per cent. of Dutch units are said to be free of stalls and tethers. If consumers are concerned about pigs produced in unpleasant and cruel conditions, they should not be buying Danish or Dutch pork products.

The Opposition believe that there should be greater scope for informed consumer choice. However, as the regulations are very confusing, how can consumers receive the correct information? Although British pork is reared under the highest standards in the world, how can we know that British pork is really British produced? The pork from a pig that is produced and slaughtered on the continent and brought to the United Kingdom to be used in pork pies or sausages can be sold as British pork. Consumers may very well be under the illusion that animals from which that "British" pork came were reared according to the high welfare standards that we require of our own pig producers.

What will we do about that serious problem, which has been exacerbated by some European Union regulations? As so often in our debates, we learn that the EU stands between legislators and consumers. The Opposition wish to legislate to enable consumers to make an effective choice, but discover that regulations on protecting food names, which were introduced in 1993, seem effectively to be designed to undermine the status of nation states within Europe and to prevent products being labelled as, for example, "British pork". One cannot label a product as "British pork" and therefore imply that it has been produced to higher welfare standards.

The RSPCA makes in its document some interesting points on the importance of labelling and letting consumers decide. I hope that the RSPCA, which is itself concerned about animal welfare, will help to promote British pork, and that, from the beginning of next year, it will say that buying and eating British pork will be promoting pork that has been produced to standards that are much higher than those of our European counterparts. If we let consumers have the information, I am sure that they will make the right decision. I hope that the RSPCA will join in the campaign to promote British pork.

There is much concern also about the genetic modification of food, which the hon. Member for Dartford mentioned in passing. I recently saw a guide for consumers, entitled "Foodsense: genetic modification and food", produced by the Ministry of Agriculture, Fisheries and Food. On page 13, it states:

"the Government is determined to ensure that all foods which may contain genetically modified material are clearly labelled. These would include foods which contain genetically modified products used as food ingredients such as GM soya, maize and tomato paste."

That is all very well. However, on page 14, it states:

"How will genetically modified food be labelled?

Under the EC Novel Foods Regulation a genetically modified food will be labelled if it is judged, on the basis of a scientific assessment, not to be equivalent to an existing food. Foods will also require labelling if there are any ethical concerns or if it contains a genetically modified organism, even if it is equivalent to an existing food."

That statement is not the same as saying that the consumer will be given the power to make an informed choice, because the information that foods are subject to genetic modification will be given only in certain circumstances.

The document continues:

"The Government"—

rightly—

"believes that all foods should be labelled so that consumers are made aware when they contain any genetically modified material. The UK will be pressing for this when foods are approved under the regulation."

I hope that the Minister will be able to tell us today how he will secure that outcome for the British consumer.

12.19 pm

The Minister for Trade (Mr. Brian Wilson): I am extremely grateful to my hon. Friend the Member for Dartford (Dr. Stoate) for securing this debate and also to all the hon. Members who have participated and who have made constructive contributions. I include among them the hon. Member for Christchurch (Mr. Chope), although I could not help feeling that the "Big Pig Breakfast" came as a rather timely research source for his speech. I undertake to get for him the information that he wants about the labelling of British pork, and labelling is a subject to which I shall return later.

To be frank, I am grateful for the debate not least because I am new to my current responsibilities. I have never been one to pretend that there is a seamless transition of knowledge and wisdom that accompanies Ministers or, indeed, Opposition spokesmen from one job to another. I have been more than interested to hear the well-informed comments of hon. Members from all parties, who clearly bring to the debate long and distinguished backgrounds of interest and research in the subject.

Perhaps more than in other debates, everyone who has spoken today shares the same objectives. In an ideal world, we should like everything that we imported and exported to be safe and humanely produced in an environmentally responsible manner by people who have been paid a fair rate for the job. I am sure that we could all unite around that wish. It certainly contains a very laudable set of aspirations. The problem begins of course with the fact that every word in the mission statement—to use a terrible phrase—that I have just set out is open to endless discussion about definitions. That is what makes the subject genuinely complex.

The calls for action may be perfectly reasonable on the surface. Indeed, from the perspective of a sophisticated, developed economy, they might seem like modest environmental prerequisites for trade; but exactly the same call for action, viewed from the perspective of a developing country, might well appear as no more or less than crafty rich-world protectionism.

It is not necessary to be a free trade ideologue—to paraphrase my hon. Friend the Member for Dartford—to recognise the very real pitfalls that may quickly appear if we introduce sanctions against products of which we do not like the look or the smell. As my hon. Friend and others recognised, the argument falls overwhelmingly in favour of liberal trade policies. In principle, no hon. Member supports the opposite, as protectionism inhibits liberal trade. I think that I can include among those hon. Members my hon. Friend the Member for Nottingham, South (Mr. Simpson). He fairly points out that cartels exist, but I do not think that he adduces that fact as a reason for believing that cartels should exist. It is a perfectly reasonable argument for pointing out that rhetoric does not always match reality. I do not think that my hon. Friend would dissent from the view that, if rules are fairly applied and set, a liberal trade world is a much better proposition than a restrictive one.

As many hon. Members have said, the debate is not about absolute principle but is a matter of balance. Again, everyone agrees that trade is not the ideal or the primary instrument through which social or environmental objectives, however desirable, should be pursued. That takes us back to the question of balance and the identification of spheres in which it is appropriate to limit trade, as that is the only apparent way of achieving the desired objectives. I assure the House that it is a highly legitimate area of debate, which I have a genuine interest in exploring.

It is in all our interests to get the answers right from a United Kingdom perspective so that we have a trade policy that is both consistent with the principles that we pursue and that is sensitive to the concerns that have been

[Mr. Brian Wilson]

expressed today. I in no way underestimate the difficulty of getting that balance right. In the rhetorical flourish at the end of his speech, the hon. Member for Portsmouth, South (Mr. Hancock) urged us to have enough backbone to tackle those issues. That is fine, but the first example that he adduced of where we—I presume that he meant me—should have backbone involved performing animals in circuses. My responsibilities are wide, but I am not sure that the matter to which the hon. Gentleman referred is one for the World Trade Organisation.

There are some topics for which I want to put down markers of agreement. For example, the call for greater openness and transparency in the WTO is one with which I readily agree. There has been growing recognition of the need for greater dialogue with the general public and non-governmental organisations about the principles that underlie trade liberalisation and the multilateral trading system operated by the WTO. It has to be explained why they are advantageous for developed countries as well as less developed countries and for jobs, growth and prosperity. All dialogue on such matters should be conducted openly.

In that context, we can welcome measures taken by the WTO to be more open. They include the de-restriction of documents, the use of the internet and so on. They show a welcome desire on the part of the WTO to be more open, but I do not believe that the process has gone far enough. We can play a leading role in urging greater transparency within the WTO.

One point on which I can perhaps bring some optimism among hon. Members who have spoken today is the shrimp-turtle case. The appellate body has come out not against the measure, but only against the way in which the United States chooses to pursue it. I shall not, as one hon. Member requested, give the Government's definitive position on that issue today. Because of its importance, it may become the definitive trade and environmental case study in terms of WTO jurisprudence. We have to consider it carefully and discuss it circumspectly until a position emerges. It is an example of a case being pursued by a wide range of opinion and countries, and the WTO has not categorically come out against the action taken. We have to consider the implication of the appellant body's ruling.

It is for the same reason that I cannot say too much about the Canadian asbestos case, although I wholly agree that it is interesting and highly relevant to the way in which the WTO discharges its functions. It is, of course, subject to appeal by the Canadians. Again, it will have a marked impact on perceptions of how the WTO approaches such matters.

Another matter on which we can find agreement and on which I can offer something to hon. Members who have spoken today is the UK's role in taking forward those issues within the European Union and the WTO. We are actively encouraging a high-level meeting on trade and the environment. The EU's proposal to that effect is now being considered by our partners in the WTO. In order to make progress, we obviously have to agree an agenda that will attract wide support and involvement.

Mr. Baker: We are running out of time. The Minister was asked some specific questions—I counted about 10—which he will not have time to answer. He was open about being on a steep learning curve, so will he undertake to write to hon. Members with the answers that they seek?

Mr. Wilson: I have no difficulty in giving the hon. Gentleman that absolute assurance. It is much more useful to write to hon. Members than to gabble through the replies in front of me. I have every intention of trying to address the concerns.

I believe that broad philosophical agreement exists on the problem. The objectives are not in doubt. For instance, there is consensus that the best way to tackle labour standard issues is through the International Labour Organisation. If we tried through the World Trade Organisation to create a framework of labour rules for developing countries, the subject would hardly get on to the agenda, far less have a prospect of early success. If we are to make progress, it is important to be much more specific in defining those aspects that are within the WTO's remit—that is, within trade. In the case of issues that are not, we should consider whether another avenue exists.

This interesting debate will continue. I assure hon. Members that I shall take a close interest in the matter.

Black Watch

12.30 pm

Ms Roseanna Cunningham (Perth): Thank you, Mr. Deputy Speaker, for the opportunity to raise this important national and constituency issue on the Floor of the House. With the Minister's agreement, I shall restrict my comments to allow my hon. Friend the Member for North Tayside (Mr. Swinney) to speak.

The Black Watch Territorial Army Battalion, which has its headquarters in Perth and which recruits widely throughout Perthshire, Angus and Fife, is the volunteer arm of one of the most distinguished regiments in our armed forces. I understand that it was raised in 1746, so it is also one of the oldest. The House may recall that the Black Watch regulars were the regiment that oversaw the lowering of the union jack over Hong Kong last year. It is my hope, of course, that the regiment and its full complement of volunteers will be present at the raising of the saltire at the independence ceremonies for Scotland in a few years' time.

Hon. Members will be aware of the broad thrust of the proposals for the Territorial Army throughout the United Kingdom and in Scotland—a cut of some 30 per cent. across the UK, but, I am informed, a fall of some 47 per cent. in the highlands. However, we have been left in the dark about the impact on individual TA battalions and companies.

Before the recess, the Government assured the House that consultation on future TA deployment would take place over the summer, and that an announcement would be made in the autumn. That announcement, as I understand it, has been delayed. My information is that we are unlikely to hear the fate of our individual TA units until December. That is an appalling way to treat the volunteers. Will the Minister please explain the reasons for the delay? One conclusion is that it is intended to delay the news until just before Christmas, in the hope that the bad news will be swamped by the seasonal preparations.

If the Minister departs from his prepared response in only one area today, I hope that he will do so to answer the following questions. Has he personally seen the Army's recommendations on the TA? Does his Department have a copy of those recommendations? If the answer to either of those questions is yes, when did he or his Department receive the recommendations? What is the reason for any delay in the final announcement? Can he today give us a date for the publication of the final details of the TA cuts? Over the past few days, I have spoken to many members of the Territorial Army at every level. They, too, have asked those questions, and it is insulting to them that the Government are not coming clean with the proposals right now.

What is most demeaning, and what has caused almost 300 volunteers in the highlands to leave the TA over the summer, is the fact that the likely outcome of the so-called review seems clear. Those men know that their battalions are facing large cuts and loss of identity, so there is little incentive for them to remain in them.

It appears that, in my area, the Black Watch will be merged with the Argyll and Sutherland Highlanders TA and the Highlanders TA, with the Black Watch reduced to one company and the others possibly escaping with two each. The Black Watch cap badges will remain, the red hackles may still be there, but, when that cap badge covers a company of as few as 100 men, that can be seen as little more than a sop.

In my area, it is hoped that Perth itself will retain the battalion headquarters, but information suggests that it is likely that the Black Watch TA presence will go from Forfar and Kirkcaldy—two of the most modern TA centres in the country. That at Forfar opened as recently as this year, at a cost of £800,000, and that at Kirkcaldy was renovated three years ago, at a cost of more than £2 million. If Kirkcaldy goes, it will be an end to the infantry presence in Fife. I do not consider that a saving; it seems more like a scandalous waste.

Overall, the Black Watch TA is bracing itself for a cut of some 69 per cent. in its complement—a loss of some 150 men. In 1995, the Black Watch alone of the highland regiments had its complement cut. Perhaps the Minister will explain why it seems to have been singled out for such draconian measures.

The current cuts are reflected elsewhere in Scotland and the UK. Obviously, I cannot stray too far from the subject of the debate, but hon. Members will appreciate that my comments on the Black Watch are intended as an illustration of a wider problem. This is not only a plea for the Government to change their mind on the Black Watch, but for them to rethink the whole review of the TA and to ensure that Scotland maintains a minimum complement of 7,000 volunteers.

The Minister is likely to argue that times have changed, and that volunteers do not play the role that they used to in our national defence. He may wax lyrical about the potency of Trident, rapid deployment forces and large aircraft carriers in allowing the UK to project its supposed might worldwide, but in my view such arguments are akin to a mid-life crisis, bringing to mind the man who craves the roar of a Ferrari when he needs a good four-wheel drive vehicle. This analysis does not take into account the real impact and importance of the Black Watch and the other TA battalions.

The Minister must consider two points. First, it is clear from the strategic defence review that the role of the armed forces has switched more heavily toward rapid deployment overseas and away from defence of the home territory. That is a strategic judgment, but in so reconfiguring the regulars he has left a role for the volunteers—home defence—which should mean keeping the TA units at current strength instead of slashing them. The Black Watch and the other battalions are the framework around which a home defence force can be raised. The Government's proposals threaten to turn that framework into a skeleton. That is not only my view, but that of senior members of the TA, to whom I have spoken in recent days and weeks.

Secondly, the Ministry of Defence recognises that the Territorial Army will play an increasing role, alongside the regulars, in some overseas deployments. I believe that about 10 per cent. of current UK forces in Bosnia are volunteers, providing additional skills to complement the regulars. Obviously, if the TA is cut, the burden of those duties will fall on a smaller number of increasingly demoralised volunteers. Is the Minister confident that the cream of the TA battalions will remain in service when their battalion identities are destroyed, and when recruitment areas are being cut? In the Black Watch area,

[Ms Roseanna Cunningham]

the cuts will effectively mean freezing out Fife and Angus. Is the Minister confident that employers will be happy to see their staff called away increasingly often and bearing the additional burdens imposed by the cuts? Is he confident that he can find 1,500 volunteers for Bosnia from a pool of 40,000 men, when I am told that it is difficult enough to do so from a pool of 60,000?

The Territorial Army is, by its very name, a territorial body. Has the Minister forgotten that Scotland covers more than a quarter of the UK land mass? Surely there is an unanswerable case for that land mass, and the highlands in particular, to retain territorial units. There is no reason why the Black Watch should suffer a cut of twice the UK average. There must be a rethink on the deployment of volunteer engineers in Scotland. Although that matter is not directly related to the Black Watch, I should say that my hon. Friend the Member for Moray (Mrs. Ewing) has been pressing for the retention of the two units in her constituency. Recent floods across the country should serve as reminder enough of the role that such units can play in such community and natural disasters. When the River Tay flooded in Perth in the early 1990s, the local infantry TA made a major contribution.

Finally, I want the Minister to consider the impact of the proposed cuts on my area and on communities throughout the country. It has been estimated that the economic loss throughout the UK from the slashing of 20,000 volunteers will be some £50 million. In Perthshire, Angus and Fife, the cuts could result in as much as £400,000 being removed from the local economies. They will result in fewer opportunities for young people in the towns most likely to lose their TA centres. They will impact on the recruitment of Army cadets. The two battalions of cadets in the Black Watch area will undoubtedly be affected by a loss of more than 60 per cent. in the manpower of their main source of military support. Given that much Regular Army recruitment comes from those serving in the TA, we may find an even bigger recruitment problem a few years down the line.

The Territorial Army takes up a mere 2 per cent. of the UK defence budget. That 2 per cent. provides a skills base for the regular forces, a pool of troops for overseas deployment, a link with local communities and a framework for home defence. That is money well spent, when other parts of the defence budget are being wasted on resources such as the unusable Trident nuclear system.

My plea to the Minister is to take heed of his short-sighted TA cuts in the Black Watch and the other volunteer battalions and invest in the backbone of our national defence, not in the grandiose delusions of nuclear power.

12.39 pm

Mr. John Swinney (North Tayside): I congratulate my hon. Friend the Member for Perth (Ms Cunningham) on securing this debate and thank her for allowing me to make a brief contribution on my constituency interest.

I am concerned about the rumoured cuts in the strength of the Black Watch and the likelihood that the exercise will result in a 69 per cent. cut in numbers. My constituency interest relates to securing the future of the Strathmore TA centre at Forfar, where the anti-tank platoon of the third volunteer battalion of the Black Watch is based. The new centre, in Castle street, Forfar, was opened by the Earl of Airlie, the Lord Lieutenant of Angus, in April 1998, following an investment of nearly £800,000 in refurbishment. The premises have several attributes unique to the presence of an anti-tank platoon, notably the weapons store. Closing that centre would be short sighted, resulting in the loss of the investment made in those unique facilities.

When I visited the centre last Friday, I heard some cautious optimism about its future, but that contradicts the reports leaked earlier in the year suggesting that it was to be closed. Will the Minister settle that speculation today?

However, that is not the end of my concerns. I am acutely worried about the impact in my constituency, but there is also grave unease in the wider area of Fife and Tayside about the implications of the proposed cuts and how they might affect centres in Kirkcaldy, Dundee and Perth. Existing personnel have given great commitment to the Territorial Army. As a result of the proposals, they will simply be told that their commitment has been in vain. We do not want to lose that commitment and those resources.

My hon. Friend the Member for Perth referred to the important role of the Territorial Army in contributing to the local economy. I want to stress that strongly. There are implications for remuneration in the local economy and purchasing power in the Angus area.

The Territorial Army has an important role in recruitment at local level for the Regular Army. The traditional recruiting areas of the Black Watch in Angus, Dundee, Fife and Perthshire are closely associated with the regiment. There is a danger of the Government's proposals destroying that vital local link. I hope that the Minister will reassure us today about the regiment and my constituency interests.

12.43 pm

The Parliamentary Under-Secretary of State for Defence (Mr. John Spellar): I congratulate the hon. Member for Perth (Ms Cunningham) on securing a debate on the potential implications of reductions in the Territorial Army on the third battalion of the Black Watch, which has its headquarters in her constituency. She alluded to the creation of an independent Scotland, but did not say how she would pay for the TA while setting up a separate Army, Navy and Air Force for Scotland. Her sneering references to a mid-life crisis made clear her contempt for our armed services. However, despite her tone, she made some arguments that should be dealt with.

The debate is about the potential implications—I say potential only because no decisions have been taken. Indeed, no proposals have yet been put to Ministers. The Government fully appreciate that this is a period of uncertainty for those in the TA in Scotland and elsewhere in the UK. We are keen to make an announcement as soon as possible. The hon. Lady asked me to depart from my prepared response, which says that she would be the first to criticise us if we did not consult carefully all those concerned before reaching our decision. That is what we are doing and why we do not have a final response. The issues have not been decided before consultations with the Territorial Army have been completed. If we came with a prepared response while the consultation was still under way, the instant accusation in the Chamber would be that the consultations were a meaningless smokescreen.

We deplore the way in which internal consultation documents were leaked and then presented as Government proposals. As my hon. Friend the Minister for the Armed Forces told the House last week—and will no doubt say again in this afternoon's debate on the Army—the Government will return to the House with a statement when a decision has been made. We shall try to do that as soon as possible, after giving proper consideration to all the responses.

The hon. Member for Perth rightly drew attention to the long and distinguished history of the Black Watch, Scotland's senior highland regiment. The Highland Regiment of Foot was formed in 1740 and was known from the beginning as the Black Watch—derived, I understand, from the colour of the tartan and the original task of the companies in keeping watch over the highlands in the aftermath of the Jacobite rising. The regiment now contains one territorial battalion, with a headquarters at Queens barracks in Perth. The battalion has two companies, in Dundee and Kirkcaldy, with a platoon based in Forfar. The Government fully understand the important role that the Black Watch plays in the local community, which the hon. Members for Perth and for North Tayside (Mr. Swinney) have articulated so forcefully.

When considering the potential implications of the reduction in size of the Territorial Army on battalions such as the Black Watch, and how best to minimise the negative impacts for any units that have to close, the Government have a responsibility to bear in mind the full implications of not making the changes. In short, as we said in the strategic defence review, we are looking to the future, not the past.

The current structure of the Territorial Army is based on cold war planning for defence in the event of a major Warsaw pact invasion of western Europe. That role is no longer realistic or credible and the TA must adapt to the new world. The structure is based on the role of territorial defence, particularly of key strategic installations, in the event of a major conflict in central Europe and the need to backfill into such a conflict. That is no longer part of the Ministry of Defence's strategic planning. We must ensure that the TA remains relevant and usable in the current strategic reality and that it is an integral part of the defence capability that the strategic defence review, following wide consultation in the services and beyond, has sought to identify. The TA can no longer have a structure based on the need to meet the threat of general war in Europe—a threat that no longer exists in the short or medium term. It is wasteful and demoralising to maintain forces for a non-existent role. That is why change is required.

We want a Territorial Army that is more fully integrated into the Regular Army and structured to meet today's security concerns. We seek a TA that is properly resourced, and provides career development and educational opportunities for those who wish to volunteer and to serve. We seek a Territorial Army that is trained to operate key battle-winning equipment, such as Challenger, AS90, the multiple-launch rocket system and Rapier, and which offers skills that can be of benefit in civilian employment both to the individual and their employers.

As part of the approach, we shall look to make greater use of the TA for the conduct of military operations than we have in the past. As was made clear in the strategic defence review, we need to be prepared to mobilise the TA more frequently. We did not compulsorily call it out for the Gulf war, but plan to do so for future operations of that scale. In seeking to strike the appropriate balance between the size of our regular forces and that of our reserves, however, we must take into account that, with few exceptions, we cannot expect our reserve forces to undertake operations at short notice or meet on-going day-to-day commitments. The hon. Member for Perth mentioned that greater use of the TA would not be attractive to employers. We know from discussions with employers that the greater level of training that will be provided will be attractive to them.

For the TA as a whole, therefore, the change in its character and role is important and good news. Instead of large numbers of forces planning and training to meet the implausible threat of an imminent strategic attack on the United Kingdom or our NATO allies, we see a force that will contribute to our ability to project military power abroad. The challenge is to prevent the Territorial Army becoming a symbol of the cold war, with no place in the new strategic setting.

The Government are keenly aware of the importance of maintaining the link between the Army—indeed, all the services—and the wider civilian population. That link has been fostered both nationally and locally by the presence of TA units in the community—not least by their support of local cadet forces, to which both the hon. Members for Perth and for North Tayside referred. The training that TA units offer, the values that they instil and the support that they provide in times of civilian crises are all vital functions.

In seeking to introduce such an important change, we are carefully considering all the issues—including those raised by the hon Lady and the hon. Gentleman in this debate. We hope to preserve as wide a presence as possible of the TA—as well as the other voluntary services in the Royal Air Force and the Royal Navy, which I regret are sometimes forgotten in these debates—throughout the country. To assist us in reaching decisions, we have consulted widely on how the changes should be implemented. In particular, the Territorial Auxiliary and Volunteer Reserve Association, which has important local knowledge, has been fully involved.

It is tribute to the geographical coverage of the Territorial Army that there is a TA centre in the majority of constituencies. That understandably and rightly accounts for the interest that so many hon. Members take in plans for the TA and prospects for their local units, which are an important part of their communities. As well as ensuring that military requirements are met, it is the Government's responsibility to ensure that, as far as possible, the geographical spread should continue, and that all those who wish to offer their services are able to do so.

The geographical footprint of the services is one of the important criterion in evaluation of the proposals. As a result of the Secretary of State's announcement only last week, we have of course increased the visibility of the services in the community by allowing our forces to wear uniforms in their local areas. That is very important. We recognise the TA as a further important part in such visibility, and will consider it in our decisions.

[Mr. John Spellar]

If we are to be successful in implementing the change that is so important, some TA units will have to close or change role. For the reasons that I have given, we can not perpetuate the status quo, nor has there been a realistic argument that the TA should stay as it is.

Mr. Menzies Campbell (North-East Fife) *indicated dissent.*

Mr. Spellar: That is so, even when individuals have argued points of detail.

The hon. Members for Perth and for North Tayside raised the question of cadets. Of particular importance, and a further criterion in our evaluation of particular sites, is the support often provided to local cadet forces by TA centres, such as the one in Perth. The cadets of all three services represent an important national youth movement. Although some will be affected by the planned changes in Territorial Army centres, we aim to minimise disruption wherever possible. Indeed, we are looking to increase the direct financial support that we offer them.

The hon. and learned Member for North-East Fife (Mr. Campbell) indicated that he thought that there was a realistic argument for the TA to stay as it is.

Mr. Menzies Campbell *indicated dissent.*

Mr. Spellar: He denies that. I am pleased to have his agreement, in the spirit of constructive opposition.

The hon. Member for Perth referred to the percentage of reserves and cadets who provide recruits to the armed forces. I understand that 25 per cent. of Regular Army recruits—officers and soldiers alike—have Army cadet experience. About 8 per cent. have TA experience.

As my hon. Friend the Minister for the Armed Forces will make clear in the debate later today, recruitment to the Army has much improved under this Government. We do not believe that our proposals for the TA will affect that to any significant degree. We recognise that the changes envisaged will have an impact on many members of the TA, including those whose units will not be closing, as well as all those who have contact with it. We are working hard to provide a sensitive package of measures for volunteers who leave the TA, and hope to be able to announce more about that later in the year.

Several other opportunities will be made available for volunteers who are unable to continue serving with the TA. Those will include service with the Regular Army, membership of the Royal Naval Reserve, or the Royal Air Force Reserve, and posts as officers or instructors with the cadets. In the event that suitable vacancies arise, the volunteers will of course have the opportunity to rejoin the TA. There will also be provisions concerning travel allowances. We recognise the geographical problems in Scotland to which the hon. Member for Perth drew attention. The hon. Lady also referred to Trident. Given the Scottish National party's opposition to Trident, it is slightly ironic that it campaigns vigorously on where Trident submarines should be refitted. Perhaps that is a further example of the SNP's inconsistency.

The implementation of changes in the TA will be difficult, but it important that we have a modern, relevant and usable Territorial Army which is fully integrated into the Regular Army and has much to offer those who wish to volunteer and serve, but are not able to serve full time.

The hon Member for Perth has drawn attention to the potential implications for the TA unit of the Black Watch in her constituency. I assure her that those and the many other representations that we have received from hon. Members and those involved with the TA will be taken into account in the decisions that Ministers will be taking over the next few weeks on its structure and our investment in the future of a strong, relevant and usable Territorial Army.

Pay-per-view Television

12.59 pm

Mr. Brian White (Milton Keynes, North-East): It may seem strange to introduce what may be thought of as a rather marginal debate, but I believe that its subject will grow in importance, and that we shall come back to it.

Last week, at the all-party group on cricket, Tim Lamb, chief executive of the Test and County Cricket Board, said that the awarding of the contract for broadcasting cricket to Channel 4 might be the last such negotiation between broadcasters and sports bodies.

As pay-per-view and digital television grow, there will be a complete change in the way in which not only sports coverage but other coverage is negotiated. As David Elstein, former director of programmes for Sky, said, in 10 to 15 years' time, when pay-per-view is fully developed, we shall be paying for each individual programme. I am not sure that that is the way in which we should be developing. Is that really what we want?

At the moment, the scope of pay-per-view is limited by economics—how to make it pay—and technology, but, with the convergence of technology, it will spread. It is estimated that 10 million homes will have digital television in the next 10 to 15 years. As shown by the Select Committee report on the convergence of technologies and the Government's response to it, which I welcome, the debate will be more important in future.

Companies are now looking at ways of broadcasting visual images along old-fashioned copper wire—the old telephone links—so the ways of distributing visual images will change. It is not only television that will be affected. I have heard one person say that there will soon be pay-per-listen radio. All the hottest and latest releases—not that I can remember them—will be on pay-per-listen radio, and the rest of us will have to wait a few weeks or months to hear them.

There is great uncertainty about the way in which technology in general, including pay-per-view, will develop. I shall concentrate on football today, but what I say applies to other sports and other types of television too. The Office of Fair Trading is now investigating the deal between the Football Association and Sky Television, alleging that a cartel operates, and that each club should negotiate individually. I cannot understand how a cartel can be operating when 31 clubs have appeared in the Premier League over the past six years.

If we take that idea seriously, however, and the Office of Fair Trading gets its way and clubs start negotiating individually, a series of questions will arise. What happens if clubs negotiate with different broadcasters operating different systems, with one on pay-per-view, one on digital and another on terrestrial television? When will sport be televised, and will pay-per-view get the premier slots? If we take that to its logical conclusion—

Mr. Gareth R. Thomas (Harrow, West): Does my hon. Friend share my opinion that pay-per-view is just one aspect of the growing concern among football supporters about the commercial exploitation of their game? Does he agree that pay-per-view is one element of the increasing commercialisation of sport, and of football in particular, that the football task force must address?

Mr. White: I certainly agree that the football task force should address that question. It is interesting that, in Italy, where the four top clubs have renegotiated their contracts to obtain a higher percentage of the revenue, that has led to a widening of the gap between those clubs and others. I fear that, were that arrangement to be replicated in England, we would see the same phenomenon. Lower division clubs are already struggling, and that would exacerbate the situation.

I shall not dwell upon the proposed BSkyB takeover of Manchester United, but it raises many questions about pay-per-view. The Sky contract ends in 2001, and I suspect that much of the background to the Sky takeover is connected with the fact that it wants a place at the negotiating table then. It is conceivable that Sky would have been outside the negotiations on multimedia promotions and suggestions for a European super-league, but the purchase of Manchester United will give it a place at the table.

Pay-per-view for the top clubs in Europe would lead to a diminution of choice. As I have said, some Italian clubs have negotiated their contracts. Italy and a couple of other countries are further down the road than Britain in terms of digital and pay-per-view television. Before pay-per-view becomes fully established in this country, we should look at the effect that it has had in other countries.

In Italy, for example, supporters of a club can subscribe to pay-per-view and get all the away matches, but one cannot switch teams. Ordinary football supporters who are not avid fans of a particular club cannot mix and match; they are tied to one club. That limits choice.

I do not oppose pay-per-view television, but I want it to add to choice. As I have already said, the primary reason why pay-per-view has not yet taken off is economic—the problem of making it pay. If it is to make money—and there is no other reason why companies should introduce it—it has to take the market away from current broadcasters.

There are already 16 live football matches available, and if the Nationwide league suggests setting up a few extra pay-per-view matches later this year—that is, if pay-per-view is additional to what is already available—I do not oppose it. For my sins, I am a Tottenham supporter—somebody has to suffer. If I want to watch Tottenham, I can watch the team live on a Saturday afternoon, or if I am lucky and the live match is on Sky, I can watch it at home. If neither of those options was possible, and pay-per-view was available in addition, that would be a reasonable way to progress. It would make for additional choice.

However, if, on the contrary, pay-per-view replaced the live broadcasting, or, worse, if the time of the match were changed and moved from Saturday afternoon, when I can get there, to a prime slot at 4 o'clock on Sunday, say, when I cannot, that would lead to less choice.

Mr. Derek Wyatt (Sittingbourne and Sheppey): I do not share all my hon. Friend's views on pay-per-view. However, I am not sure whether digital television will work commercially. We already have pay-per-view pop concerts on the internet, and it is not clear how regulation in the United Kingdom would affect regulation of the internet.

Secondly, I hold shares in Charlton Athletic on behalf of my son Jack, and I would happily pay for a season ticket to watch all the away games, because I cannot travel

[Mr. Derek Wyatt]

to see them. That would give me more choice. If there is a concern about cash, with digital television as with the American National Football League, for example, screens can be blacked within 60 miles of a game, so takings will not be affected. Has my hon. Friend considered that?

Mr. White: My hon. Friend has obviously read my speech, because I was about to make that point. He is right to say that, in the United States, NFL games are not allowed to be shown live unless the ground is full. There are also deals whereby merchandising and television rights are shared between clubs. Pay-per-view would therefore be an additional choice there.

If you wanted to watch Charlton, that would be reasonable as an additional choice. My fear is that the economics of pay-per-view would mean that, although you might get your way on that issue, the choice for everybody else would be diminished. That is the kind of regulation that I am looking for. You also mentioned—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I remind the hon. Gentleman that, in using the second person, he is referring to me. If he is talking to his hon. Friend, he should use the third person.

Mr. White: Apologies, Mr. Deputy Speaker.

My hon. Friend mentioned the internet. One reason why I introduced the debate is that the converging technologies mean that the traditional way of broadcasting programmes is changing. I am not opposed to pay-per-view on the internet or television, but I want a level playing field so that pay-per-view can compete with the internet, terrestrial television and digital television.

Pay-per-view is not only about sport—it also relates to films, although it is probably too late to stop the rot for films. However, a number of social questions need to be raised. The proponents of pay-per-view have said that paying for films is just like going to the video shop. I am concerned that, if pay-per-view becomes the norm and video shops go out of business, people who do not have access to pay-per-view and cannot afford it will suffer. There are suggestions that, in those areas where pay-per-view is available—some cable companies have been running it for about six months—people are choosing five or six movies a month, and their habits are becoming quite regular. That may be true for some, but others might not be able to afford it. We must get the balance right.

There is also the question of what happens in clubs and pubs showing sport or films. If pay-per-view becomes the norm, the deals that pubs and clubs have at the moment might become much more difficult to sustain.

I have referred to the principal reasons why pay-per-view is not prevalent in sports broadcasting at the moment. However, there is one exception—boxing. I am not a boxing fan, but ITV used to have a good Saturday night fight programme. Now the only place one can see a decent boxing match is on pay-per-view. Sky subscribers who pay £30 or £40 a month for the full package will have to pay £10 extra to watch McCullough beat Naseem on Saturday night.

When I became involved in the debate, I was happy to say, "Let's ban all pay-per-view television, because it is absolutely disgraceful." However, I was quickly brought up by my researcher, who said, "Hang on, I like watching pay-per-view. I am quite prepared to pay extra for a film or sports match. I don't want the whole package—I want the additional choice." That emphasises the point I am trying to make. If it is a question of additionality, pay-per-view is reasonable.

If the economics of pay-per-view means that the existing broadcasters of sport and films lose—if all we are left with is a 10-minute highlights programme—there will be a problem, and the quality of broadcasting that we have become used to in this country will be diminished. It is easy to destroy what we have, but it is hard to rebuild it. If pay-per-view destroys some of our broadcasting quality, I would hesitate to say that we could get back to where we are now.

Before we go much further, we need to debate the appropriate level for pay-per-view, and its regulation. We must discuss the content versus the technology. If we do not regulate, we could end up in an anti-competitive position, and we would all lose. If we get it right—and if pay-per-view is competitive and adds choice—the new technologies will give their full benefit. However, I urge my hon. Friend the Minister to consider the Select Committee report, and to ensure that, when new technologies are discussed, the question of regulation is brought up.

1.13 pm

The Minister for Tourism, Film and Broadcasting (Janet Anderson): I congratulate my hon. Friend the Member for Milton Keynes, North-East (Mr. White) on securing a debate on pay-per-view television, and on setting out his views with such clarity. He speaks with some authority on the issue, as I understand that 40 per cent. of people in Milton Keynes are already on line—a figure far in advance of other areas.

My hon. Friends the Members for Harrow, West (Mr. Thomas) and for Sittingbourne and Sheppey (Mr. Wyatt) also contributed to the debate. My hon. Friend the Member for Harrow, West rightly pointed out his concerns about the increasing commercialisation in sport, and the need for the football task force to look at that matter. I can assure him that I will pass on his comments to my hon. Friend the Minister for Sport, who will take them on board.

My hon. Friend the Member for Sittingbourne and Sheppey spoke with great authority on the issue. He referred to regulation of the internet and how that might be achieved, and he mentioned the situation in the United States. He eloquently set out some of the important issues that we will face in the future.

This subject is of interest to many hon. Members, and many people outside. In discussing the matter, we should remember that pay-per-view is not only relevant to sport—other pay services, including films, could well be vital in television's digital future. My hon. Friend the Member for Milton Keynes, North-East referred to that. However, he is particularly concerned with sports broadcasting.

The Government's main concern in sports broadcasting is to ensure that everyone has access to those events which have a clear national resonance, and we have recently reviewed the protected list to achieve just that. Having said that, we do not believe that our responsibilities to viewers end there. Our public service broadcasters have a

responsibility to provide programming for all tastes and interests, and sport should clearly be part of what they offer. We will continue to monitor the position as the television market develops.

The shape of that market is starting to become clear. Digital satellite broadcasting has already begun, and digital terrestrial will follow shortly. Viewers will have a wider choice of channels than ever before. Those services may well include specialist sports channels, and pay-per-view may be one way for broadcasters to fund these new services for the committed sports viewer.

Pay-per-view may also bring benefits to sport, with new services covering events which broadcasters would not be able to transmit on a general channel, because of the costs of coverage or the small size of the likely audience. I shall return to that point.

My hon. Friend the Member for Milton Keynes, North-East is concerned—he is not alone—about the possible consequences of BSkyB's takeover of Manchester United. He feels that this may lead to United's fans being asked to pay for access to coverage of the club's matches in the premier league after 2001. I can assure him that his concern on that point has been noted.

As the House is aware, the Director General of Fair Trading is presently considering his recommendation on the merger to the Secretary of State. He will announce his conclusions before 2 November. It is right that the Office of Fair Trading should be left to make an independent assessment of the issues involved, and the Government should not speculate on the outcome at this time.

My hon. Friend also noted that the restrictive practices court is considering the validity of the premier league's collective broadcasting arrangements early next year. He will understand that I cannot comment in detail on that for the same reasons. However, it is clear that the shape of the market for the rights to top league football may be very different come the spring. Given those uncertainties, we need to come to a balanced view on the subject of pay-per-view services for all sports—not just for football.

Pay-per-view sports services in this country are in their infancy, and have so far been confined to boxing matches. There has been much talk about pay-per-view in other sports, but it seems that the industry is still not sure about who will watch them, and how much they will be prepared to pay.

I believe that broadcasters and sporting bodies are right to be cautious. The issues involved in pay-per-view are complicated. It is not enough for a broadcaster to identify a potential audience for an event. Sport is an equal partner in any contract, and it must find a balance among a number of considerations—the need for wide exposure of flagship events, the impact of television coverage on attendances at grounds, to which my hon. Friend referred, and the requirements of sponsors and advertisers.

All sports wish to stay in the public eye, not least to encourage the interest and participation of young viewers. I speak with some authority on that—I have three teenage children who are fanatical Blackburn Rovers fans. Sponsoring companies often demand the exposure that only free-to-air television can bring. As a result, many sports organisations, including the International Olympic Committee and UEFA, have publicly committed themselves to free-to-air coverage.

For example, the governing body for the formula one championship has also indicated its preference for free-to-air coverage. That is despite surveys that suggest that a substantial number of viewers in the UK would be prepared to pay to watch grand prix races.

Sport must also guard against eating into its own audiences by rushing into pay-per-view. Football still takes the largest part of its income through the turnstile, and it must guard against alienating the fans who make the effort to attend matches.

As my hon. Friend pointed out, football must consider the lessons learned by overseas leagues. He mentioned Italy. When the Italian football league embraced pay-per-view, its attendances fell by more than the number of viewers watching the games on television. I am sure that my hon. friend the Minister for Sport would put that down to the decreasing appeal of the Italian league compared to those of other nations, such as our own premiership—much of Italy's national team now plays here, after all. British football must be careful, and the Government are sure that the point is not lost on those deciding future broadcasting contracts.

Broadcasters themselves acknowledge the complexities of pay-per-view. BSkyB decided against charging viewers to watch a specially arranged snooker tournament earlier this year. Although top snooker players have great appeal for viewers, BSkyB and other broadcasters realise that people want to watch meaningful and established championship events. In making arrangements for their flagship events, sports bodies usually want a balance between revenues and maximum exposure.

The tendency to self-regulation in the broadcasting market is reassuring, but we should recognise that there is a market for pay viewing of certain sports events, and that pay-per-view can bring benefits both to sport and to the armchair fan.

Mr. Wyatt: My hon. Friend may be interested in a number of other pay-per-view events—the Spice Girls were on BSkyB. However, I am more concerned with the launch of the digital channel, Film Four. If the Hollywood moguls decide to launch a film on pay-per-view ahead of its theatrical release, it will seriously affect the economics of television and of the multiplexes that are being built throughout the world. Given that Sony produce wide-screen computer screens and television sets, one can envisage which way it will go with its films. I would welcome my hon. Friend's comments on that.

Janet Anderson: My hon. Friend is right, and I am sure that he would agree that, throughout the world, we are embarking on a broadcasting revolution. We will have to wait and see how it develops. I am sure that his concern about the likely effect on theatrical productions is well founded. We shall have to guard against that, and I thank him for raising the issue.

Matches shown on pay terms will be additional to the 60 games a year shown by BSkyB. The league believes that coverage of those matches will reach a new audience of football fans committed to—dare I say it—less fashionable clubs. Those fans may be unable to travel around the country to follow their teams' away matches. Of course, there are fans who, for one reason or another, cannot get to matches at all. Many of those matches would not be shown on BSkyB's general subscription service—

[Janet Anderson]

or anywhere else, come to that—because the potential audience is small. Pay-per-view may have the potential to bring a new choice of services to football supporters, and there is no reason why that should not apply equally to fans of other sports.

We have to consider the position of top sports events, especially in football, which will, at least initially, attract broadcasters and sports bodies wishing to experiment with pay-per-view. Listing offers a good level of protection for free-to-air access to the very top occasions in the sport, such as the world cup, the European championships and the English and Scottish FA cup finals, but there are many other important matches. In considering the case for pay-per-view, football must be sure that it is not alienating its core audience. The Government believe that sport can and should act responsibly in making its broadcasting arrangements.

Finally, it is important that we consider the possibilities for pay-per-view football in a proper perspective. Live coverage of club football in this country is a comparatively recent phenomenon, but the free-to-air television viewer now has access to a larger number of matches than ever before. Last week, the free-to-air viewer had access to live or full delayed coverage of five top European club matches, including Manchester United's match in Denmark, which was shown by the ITV network. Two of the matches were broadcast simultaneously, but, armed with a video recorder, the viewer could have watched more than 16 hours of top football. All four of the universally available channels—and Channel 5—contributed to that figure.

The Government believe that it is important that pay-per-view should not develop at the expense of the general viewer, although we are not opposed to pay-per-view in principle. However, we also believe that free-to-air channels will continue to offer first-class sport, whatever the future shape of the broadcasting industry.

I hope that that will reassure my hon. Friend the Member for Milton Keynes, North-East. I am grateful to him for giving me the opportunity to set out the Government's position, and I again congratulate him on securing this important debate.

Agriculture (Regulation)

1.25 pm

Mr. David Prior (North Norfolk): I am pleased to have secured this debate. I was born and brought up on a farm—my brother now runs the family farm—and farming is very much in my bones. I am lucky to represent a constituency with such an important agricultural industry.

Farmers and agriculture are in a dreadful state. The small family farm and the livestock and poultry industry are particularly vulnerable. Pigs are being destroyed, poultry farmers are losing money, the ban on beef on the bone remains and sheep are nearly worthless. Figures produced by the National Farmers Union show that, in the past two years, the price to the farmer of pig meat has fallen by about 57 per cent., of lamb by 40 per cent., of feed wheat by 31 per cent., and of milk by 22 per cent. Many farmers and processors face bankruptcy. The implications will be felt throughout the countryside. Rural unemployment will rise and mixed farming with extensive grass will be particularly vulnerable, with all the resultant environmental effects.

The Government do not seem to care about that. They seem to have washed their hands of the farming industry—perhaps there are simply not enough votes in farming. They are guilty of utter complacency. Farmers and processors deserve, and need, a level playing field and that is why I have chosen to focus on regulation. Over-regulation is playing straight into the hands of imports, undermining our exports and threatening the viability of much of our industry. We all know that some regulations are necessary, but they should be proportionate, sensibly and consistently applied and they should not discriminate against British producers. I shall take each of those four principles in turn.

On the first—that regulation should be proportionate—it is perhaps understandable in the aftermath of E. coli, salmonella and BSE that we should err on the side of caution, but the ban on beef on the bone is, as the Selkirk sheriff court put it, a "manifest absurdity", which is out of all proportion to the risk involved. It is a triumph of emotional over rational argument. Indeed, the on-going ban may damage the potential for exporting British beef—a classic case of the law of unintended consequences at work. A continuing ban sets just the wrong context for the proposed Food Standards Agency. Of course, consumer safety is paramount, but let us keep some sense of proportion. By all means disclose the facts to consumers, but let them, and not the nanny state, decide.

The second principle is that regulation should be applied sensibly. In the past 18 months, my dislike of the officious bureaucrat has increased daily. These days, it is almost as though officials were trying to catch out farmers and food processors. I shall give three examples. The first relates to the integrated control and administration system forms. I have heard from numerous farmers who have been massively penalised for making tiny and obviously innocent mistakes in filling in their IACS forms. Is there any discretion at MAFF? Apparently not. Is there any question of turning a blind eye? Again, apparently not. Simple mistakes happen and British farmers are penalised, but it is hard to imagine that happening in the olive groves of Spain, Italy or France.

The second example—I have written to the Minister about it—concerns a small, family-owned abattoir in my constituency. It operates for only 12 hours a week—on two separate days—dealing with small farms and supplying small butchers. It is a traditional business in a traditional Norfolk market town. I have been around the abattoir. The inspection regime since the implementation of the 1998 EU meat hygiene and inspection regulation means that, on occasions, there are four supervisors in charge of two slaughtermen. My constituent says:

"The supervisors fall over each other to find work to do which is not available, so more expense is incurred through constant tea making."

More seriously, such high and absurd levels of inspection will lead to the demise of small abattoirs and food processors, and will do nothing for public safety or animal welfare. The knock-on effect on small farms and retailers will play straight into the hands of large producers and supermarkets, for which regulation is a positive competitive benefit. British meat will be replaced by imports that are not subject to our high standards of welfare and hygiene, and British farmers and animals will be the losers.

I give one more example of a crazy application of an EC directive, about which I know my hon. Friend the Member for Bury St. Edmunds (Mr. Ruffley) is also deeply concerned. In its wisdom, the EC introduced the fresh red meat directive, which provided for increased veterinary supervision in red meat abattoirs. What do the Government do? They voluntarily decide—I quote the words of chief executive of the Meat Hygiene Service in a letter dated September 1998—that

"supervision levels should also be increased in poultry slaughterhouses"

to the same standard. That is the kind of gratuitous nonsense that infuriates British producers and undermines their competitiveness. The extra cost of compliance is estimated at 3p per bird—often the difference between making a profit and making a loss—and the quality, variability and cost of the official veterinary surgeons service are deeply resented.

The third principle is that regulation should be consistently applied—there should be one standard for British farmers and processors, and that standard should be applied consistently to imports. I was struck by a report in the *Financial Times* of 26 October that claimed that EU vets had found Australian slaughterhouses and cold stores "generally weak". They witnessed "cruel treatment of animals" and they found that

"vermin proofing was inadequate, maintenance and cleanliness was neglected",

all of which had consequences for public health. Australia had been given a six-month ultimatum, which one might think fair enough until one realised that that was at the end of a six-year dispute.

In East Anglia, we have a big poultry industry. One of my constituents showed me a box of imported whole frozen turkeys from Italy. The birds had clearly been thrown—unwrapped except for some newspaper—into a cardboard box, which breaks all known hygiene regulations, specifically the one that states that birds should be

"enclosed in a sealed protective covering".

Regulations are not properly enforced in much of Europe. Most of us have seen at first hand the way in which in European countries, cheese and meats are kept without refrigeration. I have seen cheese kneaded by sweaty, hairy-chested, bare-headed Italians—very good it was too—when such methods would be totally disallowed in this country. There is no consistency, and we are allowing our farmers and processors to be unfairly penalised.

Mr. Lembit Öpik (Montgomeryshire): Is not another example of the hon. Gentleman's point the fact that pig farming is much more stringently regulated in the UK than among our European competitors? The abolition in the UK of stalls and tethers, for example, amounts to an attack on pig farming here.

Mr. Prior: I fully agree with that point, with which I shall deal in a minute.

The fourth principle is that regulation should not be discriminatory against British products. In a press release issued earlier this year, the Minister called for higher welfare standards across Europe—I agree with that whole-heartedly, as I believe that welfare standards should be constantly improved. He said that there were no common EU rules on the treatment of animals on farms. For example, the Conservative Government banned pig stalls and tethers in this country, but in the rest of the EU the restrictions are fewer and will not be phased in until 2006. Why should we continue to import pigmeat that has been produced in conditions that we have rightly banned in this country? I could make the same point about the production of veal in veal crates, which were properly banned by the previous Government.

In this country, meat and bonemeal have been banned from the feed ration. Why should we import poultry and meat products from other animals that are fed with animal protein? We are even exporting bones to France to be rendered down into bonemeal, so that the French can feed it to poultry and export the product to us, giving them approximately a 3p per pound cost advantage. That is crazy, but the same applies to antibiotic residue testing, which should be applied to all imports.

Our farmers and processors need a level playing field. Imports should match our high standards and regulation should be consistently and sensibly applied rather than disproportionate to the risk involved. At the very least, imports should be properly labelled, so that consumers know what they are buying. The label should state where the meat is produced and not only where it is packaged, which can be misleading—often deliberately so.

Dr. Ian Gibson (Norwich, North): The hon. Gentleman mentioned risk analysis. How would he assess the risk analysis of some of those products, and in whose interests would he do it—those of the consumer, the European hairy-chested Italian, about whom he racistly talks, or his farming friends?

Mr. Prior: I dislike the hon. Gentleman's pejorative use of the words "his farming friends". Frankly, the farmers should be the friends of all hon. Members. There must be a balance and some common sense. Of course the consumer must be properly protected, but not disproportionately so. I accept that risk assessment is extremely difficult, but it cannot be left only to scientific experts—common-sense judgments must be applied.

There must be full disclosure, so that consumers can make up their own minds about what they are eating. Labels should clearly state the health, hygiene, feed and

[Mr. Prior]

welfare standards to which the product conforms. Let the consumer then decide. However, in a written parliamentary answer, the Minister of State said that he had no intention of requiring imported meat to be labelled to show whether it had been fed on animal proteins. He went out of his way to say:

"There are no proposals to extend labelling requirements to cover compliance with national animal health and welfare standards."—[*Official Report*, 29 June 1998; Vol. 315, c. *106*.]

That is disgraceful. Many consumers will be horrified to know that they are eating imported food products produced in welfare conditions that have rightly been banned for years in this country.

We all want the British farmer and food processor to produce safe, high-quality and tasty products, and of course regulation is necessary to achieve that and to give the consumer sensible protection. However, we are running the risk of regulating ourselves out of the market. If we are not careful, it will not be economically possible to produce poultry, pig, lamb and beef products in this country. Instead, we shall end up importing products from countries where welfare standards are much lower than ours and where quality and food safety are less reliable.

1.38 pm

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mr. Elliot Morley): I congratulate the hon. Member for North Norfolk (Mr. Prior) on raising serious concerns about the impact of regulation on British agriculture. I agree that excessive and unnecessary regulation must be avoided, but it is difficult to avoid a certain amount of regulation, for all sorts of reasons.

As a Government, we recognise the difficulties facing many sections of agriculture, especially in relation to prices. I was disappointed that the hon. Gentleman, in what was generally a reasonable and well-argued speech, came out with the nonsense that the Government do not care about what is happening to agriculture. That is most certainly not true. Farmers and rural organisations know very well that we care and that we are giving all the support that we can, including the extra £78 million for the beef and sheep sector last winter and a range of other support.

The hon. Gentleman spoke about the ban on beef on the bone. The risk of BSE getting into the food chain is not theoretical: so far, 30 people have died from new-variant CJD and others are suspected to be suffering from it. It would be ridiculous for any Government—let alone a Government who have made it clear that we intend to put consumer safety before all other considerations—to allow material that was known to carry a risk of infection to go into the food chain; to have done so, we would have had to put a warning on beef on the supermarket shelves saying that there was a risk to consumers, and we are not prepared to do that.

All beef that is on sale in this country—and that which, I am glad to say, is now being exported from Northern Ireland—is absolutely safe; we are absolutely confident about that. It is not good enough to say that we should take risks. It is difficult to give people choices when beef on the bone could be used in stocks and gravies and consumers in catering establishments would not know what was in their food. We have to ensure that consumers are protected. I am hopeful that the ban will be a temporary measure. We shall certainly review it again under the date-based scheme, following appropriate advice from our expert scientific committees.

Mr. James Paice (South-East Cambridgeshire): If that is the case, why are the bones that are removed from the meat not classified as specified material? Why, as my hon. Friend the Member for North Norfolk (Mr. Prior) said, can they be exported, turned into bonemeal and fed to animals the products of which can come back into this country? Either the bones are dangerous, or they are not.

Mr. Morley: It is not my understanding that that happens. There is a restriction on what can be used in meat and bonemeal. Bones from the pig industry, for example, are allowed to be exported if they are from dedicated plants.

I appreciate the point that the hon. Member for North Norfolk made about welfare standards. We have been pressing for improved welfare standards throughout the European Union, and we want to achieve common standards on, for example, battery cages.

We support better labelling, as we want consumers to have as much information as possible. Part of that has to be negotiated through the European Union, as we need common agreement, which can sometimes be difficult. Retailers have the freedom to label, and many already have detailed labelling linked to quality assurance schemes, and we very much welcome and support that, because it gives our producers, such as those in the pig industry, who have the highest welfare and quality standards in Europe, a marketing advantage, in that they can meet the quality assurance criteria that the retailers set.

I strongly disagree with the hon. Gentleman when he talks about turning a blind eye to regulations. I am sure that he did not mean that quite as it sounded. We cannot turn a blind eye to regulations, and especially not those that are designed to protect consumer safety or to ensure that taxpayers' money is used appropriately in the various support schemes. The schemes must be monitored, run and audited properly.

Whenever I hear it said that regulations are not enforced in Europe, I say let us see the evidence. Where there is evidence that other European Union member states are not enforcing the rules, we will take action.

Mr. Prior: Part of the evidence is the massive fraud that goes on in the common agricultural policy. Is that not some evidence that the rules are not being applied on the continent?

Mr. Morley: There is certainly fraud in the CAP; indeed, there have been irregularities in CAP payments in our own country, which have quite properly been pursued. The fact that the fraud is identified demonstrates the fact that the European system works. The European Court of Auditors is becoming increasingly successful in tracking down fraud, and quite rightly so.

I repeat that, where there is evidence of other countries not complying with regulations, we will not hesitate to raise the matter with the European Commission and, if necessary, take it to the European Court—we have made

that clear time and time again—but the idea that only the UK enforces the rules does not stand up to critical examination. Indeed, the previous Government were in breach of European regulations by not applying the directive on slaughterhouses. The hon. Gentleman spoke about veterinary inspections, but the relevant directive was not applied by the previous Administration. We have been warned by the Commission that it will take action against us if we do not comply as other member states do.

European Union and domestic support measures put £3 billion a year into agriculture, leaving aside the special sums for BSE-related measures, which alone amounted to £800 million in 1997–98. Those are large sums, and we need regulations to ensure that the money goes to those who are eligible and that the benefits are properly verified.

We need regulations to safeguard public health. I accept that they have become more complicated with the changes in food preparation and production methods, and there has to be a balance between proper enforcement and targeting risk areas to avoid the exploitation of loopholes by the unscrupulous.

We are prepared to review the controls at regular intervals so that they can be modified to achieve what they are designed for. Specified risk materials regulations are a case in point. We have amended the regulations on removal of the spinal cord to allow the trade in unsplit carcases to be resumed. That has been warmly welcomed by the sheep industry. We can still meet the regulations, so the spinal column can be removed but the carcase can be sent directly to French cutting plants.

We want to protect consumers and producers by ensuring that there is public confidence. Without that confidence, markets will fall. We have witnessed that with BSE, which has been a catastrophe for the livestock industry, devastating the beef industry and having knock-on effects on the sheep sector. We have been struggling to get to grips with the BSE problem and bring it to an end, and we are confident that there is light at the end of the tunnel.

Last April, we needed to implement new specified risk material controls. That would have cost the industry £35 million, but, recognising the pressures on the livestock sector, the Government have absorbed those costs and not passed on that £35 million to the livestock industry.

The Government want to ensure that we sustain a good environment to maintain biodiversity. As agriculture covers some 75 per cent. of our land, it has a key role in that. In 1997–98, payments of £14.7 million were made under the countryside stewardship scheme alone, and we support agriculture in its efforts in 22 designated environmentally sensitive areas. However, sometimes, genuine mistakes are made in all sorts of forms, be it special premium or IACS forms. The Government understand that. However, the regulations are laid down. These are European Union payments through CAP. The regulations come from the EU and we have little room for manoeuvre in relation to them.

Many IACS forms are being sent in and the applicants are receiving in return many thousands of pounds in relation to arable area payments; in many cases, large payments are made. If farmers are not confident about avoiding mistakes, professional advisers and consultants will do that for them. Obviously, there is a charge, but, when dealing with thousands of pounds of money, that is something that some farmers could and, indeed, do consider.

Mr. Öpik: On that point, sometimes the payments are delayed through no fault of the farmer—in other words, it is the responsibility of the Ministry of Agriculture, Fisheries and Food to try to bring those payments up a bit. In those circumstances, will the Minister consider investigating the possibility of interest payments on lost earnings as a result of the delay of the payment to the farmer?

Mr. Morley: I accept that there have been cases of slow payments. Particularly in present financial circumstances, my right hon. Friend the Minister of Agriculture Food has made it clear that we shall consider trying to speed up payments, so that money gets to farmers as quickly as possible. That is being done at present. All our regional service centres are aware of the Government's desire to ensure that the money gets into farmers' hands as quickly as possible and that we do not have undue delay, so I assure the hon. Gentleman that we are dealing with that point.

The hon. Member for North Norfolk mentioned his concerns about the abattoir sector. It is true that regulation has been changed to increase veterinary supervision of such premises. That does have an effect, particularly on small slaughterhouses; the Government understand that. We share many of those concerns, but I emphasise that the Government do not advocate regulation simply for the sake of it; simply because we want more of it. We support requirements on meat hygiene that can be justified on public health grounds.

The safety of food is one of the Government's priorities. We believe that meat should be produced to the highest standards in this country. I remind the hon. Member for North Norfolk that one of the reasons why BSE went on for as long as it did and at the level that it did, is that, even when controls were introduced by the previous Administration, in many cases, they were not being properly applied in slaughterhouses or meat plants. Those are important issues, and they have to be dealt with properly.

We did not lightly take the decision to increase veterinary supervision but, as I have mentioned, it was necessary to implement the previous Government's under-implementation of the harmonised EU meat hygiene rules. The European Commission has initiated legal proceedings against the UK for its failure to implement fully the specific veterinary supervision requirements that are laid down in the fresh meat directive.

That relates to poultry as well as to red meat. It is not a question of the Government saying, "Wouldn't it be a good idea if we applied that to poultry as well?" It is laid down by EU directive and we have to comply with that.

We have taken steps to raise supervision levels towards those required and believe that those steps are essential to improve control over meat-licensed premises, to avoid a European court case, as well as to support our efforts to have the beef export ban lifted for the whole of the UK. Hon. Members can appreciate that we are in the final stages of getting the ban lifted. We are very confident that we have made significant progress on that. It is our objective to get that ban lifted before the end of the year.

[Mr. Morley]

If we were not implementing EU directives on slaughterhouses, there is no possibility that we could get that ban lifted. We can go to the EU and make it clear to it that we are complying with all EU directives, as well as the tight regulations that we have to protect the consumer.

The regulations come from the EU. They set out in great detail what is required of member states and are tightly drawn. I accept that the regulations are sometimes complex, but controls are necessary to protect EU and Exchequer funds from fraud.

I have mentioned the fact that we do not have much discretion over how those rules are implemented. We are exploring the scope to cut bureaucracy whenever we can. An example is that we are consulting with the industry on a proposal for producers no longer to have to apply for a separate document to accompany beef special premium scheme claims. Under that proposal, producers will be able to apply for premium using existing cattle passport documents, which we have recently introduced.

As to the future reform of livestock schemes under Agenda 2000 proposals, one of our objectives in negotiation is to look, wherever possible, for simplification of current arrangements. That may be difficult to achieve. Indeed, as long as we have subsidies, we have to have some regulation to control them. That goes with the CAP and it goes with subsidies.

We have a range of priorities in negotiations, such as the need to ensure that Agenda 2000 addresses restructuring of the sector. Current Agenda 2000 proposals do not look promising in terms of simplifying regulations, but we shall continue to push for that wherever possible.

We want to look at cases where farmers feel aggrieved. We do that when farmers make appeals, through regional service centres, that they have been unfairly treated.

I have spoken about why we need to have regulation, but we recognise the impact that it can have. For that reason, we have sought to ensure that many of the recommendations on regulation are included in the Department's efficiency scrutiny study to reduce the burden of paperwork on farmers. Although, in many cases, it has been difficult—because of the overriding need to get consumers and EU confidence back into our beef production—we have made considerable progress in simplifying regulation. So far, about £5.4 million worth of farmers' time should have been saved through changes to procedures and an additional £1.1 million should be realised next year when new simplification comes through.

When introducing new schemes or revising existing ones, we consult the industry. We keep careful control on forms. We check that every question is essential and that the forms are clear. We trial them wherever possible and aim to keep the burden of time spent on filling them in proportion to the benefits to be gained.

We are increasingly using modern electronic technology to save farmers time. Many forms are now sent out to producers with basic information, such as names, addresses and holding numbers, pre-printed on the form. For the suckler cow scheme, we also pre-print figures on the number of animals notified for the preceding years' scheme. In that way, farmers need notify us only of changes, instead of going through the whole procedure. We have a system in place so that all forms that we use in the Ministry are reviewed for need and content at least once every three years, to ensure that there is still a role for them and that they are not just a waste of time for farmers.

A further consideration is that most regulations in the UK are an integral part of the CAP or the EU's single market. EU schemes have to take account of operating systems in all member countries to ensure as far as possible an even playing field and consistent enforcement. That can also affect the complexity of regulations.

We consult with those involved when we bring in regulations. We seek to adjust regulations after criticisms or suggestions. For example, we recently conducted a survey of the beef suckler cow premium scheme form. Much of it was found to be reasonable, but we are considering a few troublesome points to find out what changes we can make. We consulted on the SRM regulations, which allow exports of unsplit sheep carcases.

All the inspectorates and enforcement agencies that come under MAFF are reviewing their standards of practice to ensure the full spirit of the Government's enforcement concordat initiative. That concordat will, I hope, be adopted by local authorities and, to the extent that their activities impinge on agriculture, the benefits of better enforcement will also be felt there.

The regulation issue is important. An element of regulation is unavoidable to help to protect public health and safety, to ensure proper controls of animal and plant diseases and to safeguard taxpayers' money, as well as to boost the economic health of our industry through providing confidence to consumers and a fair framework. We do not introduce regulations lightly. We shall review them, but we believe that what we have at the moment is fair and balanced.

It being Two o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Sitting suspended, pursuant to Standing Order No. 10 (Wednesday sittings), till half-past Two o'clock.

Oral Answers to Questions

NORTHERN IRELAND

The Secretary of State was asked—

Irish Language Schools

1. **Ms Margaret Moran** (Luton, South): What plans she has to increase the number of Irish language schools. [54760]

The Minister of State, Northern Ireland Office (Mr. Paul Murphy): Following the Government's commitment in the Belfast agreement, the Department of Education has a statutory duty to facilitate and encourage Irish-medium education and is drawing up proposals for the funding of a body to promote its development. In addition, arrangements are in place to enable Irish-medium pre-school provision to be grant aided within the pre-school education expansion programme for Northern Ireland. Around 1,250 pupils are currently enrolled in grant-aided Irish-medium schools in Northern Ireland.

Ms Moran: I thank my hon. Friend for his answer, and for the requirement in the education order to encourage and facilitate Irish-medium schools. Does he acknowledge that an impediment to achieving that objective remains in the school numbers criteria, which restrict several Irish-medium schools, such as the Meanscoil Dhoire in Derry, from receiving registration and funding? Will my hon. Friend undertake to reconsider the school numbers criteria so that the agreement's laudable objective of increasing the number of Irish-medium schools is achieved?

Mr. Murphy: I thank my hon. Friend for her comments. We recently reduced the viable entrance criterion from 100 to 80 for secondary schools. The school to which she referred does not, unfortunately, meet current viability thresholds, but we are considering setting up an Irish-medium unit at St. Brigid's secondary school. The school to which my hon. Friend referred is receiving £120,000 from the European Union, and there is a possibility of further capital funding.

Mr. John D. Taylor (Strangford): The Belfast agreement refers to the Council of Europe's charter for regional and minority languages. Can the Minister confirm that it states that the promotion of Irish should take place only where it is desired, and that Irish will not be generally promoted throughout Northern Ireland, where only 3 per cent. of people are fluent in it?

Mr. Murphy: I understand the right hon. Gentleman's point. Irish-medium education depends on viability and on whether people want to be taught through the medium of Irish. As far as general use of the Irish language is concerned, the Government are committed to ensuring that there are no obstacles in the way of those who desire to learn it and use it.

Peace Process

2. **Mr. John Smith** (Vale of Glamorgan): Which parties in the Northern Ireland Assembly she has met to discuss the level of public support for the peace process; and if she will make a statement. [54762]

The Secretary of State for Northern Ireland (Marjorie Mowlam): My ministerial colleagues and I have met all the political parties represented in the Assembly several times, and I met most of the parties yesterday to discuss support for the Good Friday agreement and how we can maintain momentum.

Mr. Smith: I am grateful to my right hon. Friend. Will she join me in congratulating the right hon. Member for Upper Bann (Mr. Trimble) and the hon. Member for Foyle (Mr. Hume) on winning the Nobel peace prize? The prize confers great honour on the House, and every hon. Member should recognise that. Will my right hon. Friend tell us what hopes she has for the initiative taken by the First Minister and the Deputy First Minister to find a consensus among all the parties in Northern Ireland on progress towards the next stage of implementation of the Good Friday agreement?

Marjorie Mowlam: I thank my hon. Friend for that question and join him in congratulating the right hon. Member for Upper Bann (Mr. Trimble) and the hon. Member for Foyle (Mr. Hume) on their tremendous achievement. They both deserve it royally. The initiative mentioned was launched on Monday and I understand that it will commence tomorrow with discussions with all the parties in an attempt to resolve a number of outstanding issues under the Good Friday agreement. I wish them every success in that effort. It is important that they are dealing with the issues between the parties on the ground and discussing them themselves. I wish them luck.

Mr. David Trimble (Upper Bann): May I refer the Secretary of State to ceasefires by paramilitary organisations? I am sure that she wants to ensure that the Government operate even-handedly. In particular, I refer her to the ceasefire by the Loyalist Volunteer Force, which has held for several months and appears to be just as genuine as any other paramilitary ceasefire. What is the attitude of the Northern Ireland Office to that ceasefire? Has she received recently any fresh assessment from any element in the security forces with regard to it?

Marjorie Mowlam: I thank the right hon. Gentleman for that question. I assure him that I want to act even-handedly with all groups associated with trying to find a ceasefire. He particularly referred to the LVF. I have said before that I will keep the situation under constant review, and I have. I have received a recent report from the security forces which I am reviewing. I have said that I will make a judgment in the following weeks on whether I think that the situation needs to be reviewed. It is a serious, difficult issue and I assure the right hon. Gentleman that I am not dragging my feet.

Mr. Eddie McGrady (South Down): We in the Northern Ireland community greatly rejoiced at the award of the Nobel peace prize to my party leader and the leader of the Ulster Unionist party. We have made our exaltation

known to them personally already. The Secretary of State will share my disappointment that this phase of the Belfast agreement is not likely to be implemented by 31 October. Does she agree that the immediate cause of the impasse is the failure to agree on the departmental structures of the north of Ireland and on the implementing bodies north and south? While both communities desire at least token decommissioning of weapons by both republican and loyalist paramilitaries, that thorny and emotive problem was handed by the agreement to an international, independent decommissioning body.

Marjorie Mowlam: It is important to have deadlines to focus people. I hope that we continue to work to 31 October even though it is close and it may be difficult to get there. That does not mean that we should not try. Several issues are creating difficulties: decommissioning and the Executive body. Then there is the progress that I hope that the parties will make with the work done by the First Minister, the Deputy First Minister and the parties tomorrow. It is important that progress is made in parallel on all aspects of the agreement so that confidence can be built and we can get more momentum back in the process.

Mr. Lembit Öpik (Montgomeryshire): What would the Secretary of State regard as satisfactory and significant progress by the 31 October deadline, given that the First Minister and the Deputy First Minister have been working hard over the summer, especially in the past few weeks, to make the progress that we need for a lasting settlement?

Marjorie Mowlam: It is difficult for me to set an absolute baseline. Obviously, we want as much progress as possible, but what is happening more and more—and this is what is important—is that it is the parties, their leaders, the First Minister and the Deputy First Minister who are trying to take the process forward. Of course, the Government will do all that we can in terms of pace, help and encouragement—as, I am sure, will the Irish Government—to help make progress.

Deadlines are important. We have missed them before. We missed the one for the Good Friday agreement by a number of days, but everybody managed to live with that and make progress afterwards. We are still working at it.

Mr. Andrew MacKay (Bracknell): Will the Secretary of State accept that all reasonable people would expect there to be no further early releases of terrorist prisoners until there is substantial and verifiable decommissioning of all illegally held weapons and explosives?

Marjorie Mowlam: I appreciate the support of the right hon. Gentleman and his party for the Good Friday agreement. I look forward to that support extending to its contents. As the right hon. Gentleman knows, neither he nor I—no one—can renegotiate the Good Friday agreement. It is there and it says that there must be progress in parallel on all the different dimensions. It also says that if progress is not being made on different dimensions, it can be reviewed. I have not forgotten that. This is not about grabbing headlines. This is about the work taking place on the ground by the parties trying to make progress. We should give them the support, encouragement and space necessary to do that.

Mr. MacKay: Will the Secretary of State accept that, from the Dispatch Box, her Prime Minister made it clear that decommissioning was part of the agreement and part of the renunciation of violence? We have now had over six months and not one single gun or one ounce of Semtex has been handed in. Over the same time, over 150 hardened terrorist prisoners have been released early. That is not parallel.

Marjorie Mowlam: I have made clear to the right hon. Gentleman on other occasions the words of my right hon. Friend the Prime Minister and I shall repeat them. He said that decommissioning is crucial, that it is a central part of the agreement and that we want all dimensions to move in parallel. If there is no progress, we will review it. I am sure that the right hon. Gentleman will acknowledge that the previous Prime Minister, the right hon. Member for Huntingdon (Mr. Major), gave a commitment that we would support the parties, the people and the Parliament when they made a decision. That is what we intend to do.

Mental Health Provision

3. **Rev. Martin Smyth** (Belfast, South): What plans she has to improve mental health provision. [54763]

The Secretary of State for Northern Ireland (Marjorie Mowlam): I am sure that the hon. Gentleman will know that the plans for the development of mental health services are set out in the document, "Regional Strategy for Health and Social Well-Being 1997–2002". That document sets out quality targets and time scales so that we can be sure that we do all we can to meet the needs of the most vulnerable in society.

Rev. Martin Smyth: I welcome that response, but will the right hon. Lady accept that, while there are those of us who have been supporting care in the community, there is also deepening concern that there may not be enough secure units for people who need special help? Will she also accept that the changes suggested for Muckamore Abbey hospital—taking the power of decision from parents and guardians—are causing great concern in relation to children and young people, who are particularly vulnerable?

Marjorie Mowlam: As the hon. Gentleman will be aware, there are six traditional hospitals with secure units for people with mental health difficulties and there are wards within the major hospitals. The plan that is being put together will look at the question raised by the hon. Gentleman—need in relation to community. The hon. Gentleman will know from his constituency that beds have been moved from one institution that helps people with mental health difficulties to another. It is those specifics that are being considered by the regional strategy to ensure that the aims stated by the hon. Gentleman are those achieved. There is a section addressed particularly to young people because, as the hon. Gentleman and I agree, that is a crucial part of the future development of mental health care in Northern Ireland.

Mr. Kevin McNamara (Hull, North): Is my right hon. Friend aware that the House will welcome her robust defence of the entirety of the Belfast agreement? Will she ensure that that applies also to the proposed powers—

Madam Speaker: Order. This question is about mental health. Perhaps I will look to the hon. Gentleman on a more appropriate question.

Educational Standards

4. **Mr. Phil Hope** (Corby): What steps her Department has taken to ensure high educational standards in Northern Ireland. [54764]

The Minister of State, Northern Ireland Office (Mr. Paul Murphy): Educational standards have improved substantially in recent years, but they could be higher still. The school improvement programme and a number of other initiatives, including a reduction in class sizes for the youngest pupils and the expansion of pre-school education, have been introduced to ensure that standards continue to improve.

Mr. Hope: Does my hon. Friend agree that educational standards and, probably as important, wider community development would be greatly enhanced if we could promote integrated education much more widely in Northern Ireland? Can he assure me that every effort is being made by the Government to promote the transformation of schools into integrated schools so that many more of our children in Northern Ireland can grow up in an atmosphere and culture of co-operation and learning across the religious divide?

Mr. Murphy: I agree with my hon. Friend. Integrated education provides an opportunity for young people in Northern Ireland to be educated in a unique way. I am glad to tell the House that there are now 40 such integrated schools in Northern Ireland. We have also set up a co-ordinating group to improve the further development of those schools and we intend to spend a further £30 million in the next three years on integrated education in Northern Ireland.

Mr. Roy Beggs (East Antrim): Does the Minister agree that the provision of a pre-school place for every child whose parents seek one will eventually increase the achievement of children at primary and post-primary level? Does he further agree that greater collaboration between grammar schools, secondary schools and colleges on local education provision could enhance standards? Does he agree that there is now a unique opportunity under the Labour Government for secondary schools to embark on providing lifelong learning for the whole of the communities that are served by them, thereby raising standards for every individual?

Mr. Murphy: I agree with the hon. Gentleman. Much of what he has said is the policy of my party. Across the board—from pre-school to further education—the Government are committed to the points that the hon. Gentleman has made. We are ensuring that there are 2,200 extra pre-school places from September. That is the largest increase ever. We have spent £50 million extra in Northern Ireland on education. I am grateful for the hon. Gentleman's questions. I agree with every point that he has made.

Economy

5. **Mr. Ian Pearson** (Dudley, South): What progress has been made towards strengthening the economy in Northern Ireland. [54765]

8. **Mr. Brian White** (Milton Keynes, North-East): What progress has been made in promoting a strong and sustainable economy in Northern Ireland. [54768]

The Minister of State, Northern Ireland Office (Mr. Adam Ingram): The Northern Ireland economy is performing very well. Unemployment continues to fall and is at its lowest level since 1980. Manufacturing output is outpacing the United Kingdom average. The Chancellor's economic package announced in May offers major benefits, and the current north American investment tour has attracted significant interest. These measures will greatly assist us to exploit the economic opportunities presented by lasting peace and stability.

Mr. Pearson: I spent time working in Northern Ireland in the late 1980s encouraging enterprise. The business climate is now transformed and the economic prospects are far better. I welcome the north American investment tour. What indications are there of its success? What other measures are planned to ensure that more Northern Ireland companies do more business in our European home market?

Mr. Ingram: It is too early to say what the outcome of the 11-city tour, or north American investment tour, will be. We have attracted more than 1,000 business interests from the cities that we have visited. We have had a high-quality input from the business community in north America and we have had a high level of endorsement from existing United States investors in Northern Ireland. I pay tribute to everyone who participated in that north American tour, including the right hon. Member for Upper Bann (Mr. Trimble), and the hon. Members for Newry and Armagh (Mr. Mallon) and for Lagan Valley (Mr. Donaldson).

Clearly, the whole of Europe is an important marketplace for the Northern Ireland economy. It is for that reason that we are targeting that market as well, through a number of initiatives. I can advise the House that all the Assembly Members have been invited on, and most of them will participate in, a visit to the European Union next week so that they can get up to speed on this important issue.

Mr. White: I left Northern Ireland at the age of 18 because of the lack of job prospects. Does the Minister agree that structural unemployment is one of the key issues facing Northern Ireland, and will he outline the success of the new deal in Northern Ireland, with particular reference to the environmental task force and community and voluntary groups?

Mr. Ingram: My hon. Friend has touched on an important range of matters. He is right about structural unemployment, which is an endemic and deep problem within Northern Ireland's economy. One of the initiatives we have taken is a £40-million package announced by my right hon. Friend the Chancellor earlier this year, which is to be targeted on long-term unemployment among those

aged 25 and over. That will provide schemes covering up to 30,000 unemployed people and will go a long way toward redressing much of the structural unemployment-causing imbalance inherent in the Northern Ireland economy. The scheme represents one third of the total UK schemes for the 25-plus group. It sits alongside other initiatives covering 18 to 24-year-olds and the new measures the Government are taking through the targeting social need initiatives.

Mr. Ken Maginnis (Fermanagh and South Tyrone): Does the Minister agree that strengthening the economy requires long-term planning? Will he tell the House what long-term plans were made in respect of prison officers who, inevitably, would be made redundant as a result of political progress in Northern Ireland? Will he tell us how many prison officers are likely to be made redundant over the next two years; and what efforts have been made to put in place fast-track retraining facilities to deal with those officers who are likely to be thrown on the scrap heap of the unemployed?

Mr. Ingram: My feeling is that many of the prison officers who enter the employment market will not be thrown on the scrap heap of the unemployed, if we can increase the level of job opportunities in Northern Ireland. To achieve that, we need to have peace and stability. The number of prison officers who are likely to be made redundant is rather indeterminate, depending as it does on the pace of prisoner releases and changes in the approach taken toward the whole prison regime in Northern Ireland. A review is currently taking place of the long-term needs of the prison regime as it serves Northern Ireland's interests. In addition, through the Prison Service, we have entered into negotiations with prison officers to look at some of the issues—indeed, all of them and more—the hon. Gentleman raises.

Mr. Malcolm Moss (North-East Cambridgeshire): Given that the agri-food industry is the largest industry in Northern Ireland and that farming faces its biggest crisis this century, with farm incomes down 50 per cent. in two years and agricultural bank debt increasing to £500 million, when are the Government going to act to prevent a major collapse in the rural economy; or is that yet another price worth paying in the fight against inflation?

Mr. Ingram: To hear any Conservative Member bleating on behalf of farmers is a bit rich, given what the Conservatives did to the farming community during the many years they were in power. The Government have set out to deal with the problem of BSE that we inherited; to return confidence to the meat and livestock markets; to take new initiatives to give support to the farming community; and to ensure that a local purchasing approach is taken within Northern Ireland's economy. That last measure is important, because farming is an important part of the overall economy in Northern Ireland. We have grasped the issue firmly and we are making progress. *[Interruption.]*

Madam Speaker: Order. The House must come to order. We can barely hear what is being said.

Women's Involvement in Politics

6. **Maria Eagle** (Liverpool, Garston): What steps she is taking to encourage more women to become involved in elected politics. [54766]

The Secretary of State for Northern Ireland (Marjorie Mowlam): In dealing with that question, we should be careful not to make the mistake of thinking that, because no women from Northern Ireland have been elected to the European Parliament or to the House, women in Northern Ireland are not politically active. Over the years, women in Northern Ireland have done a lot to build the peace process, and to build trust from the bottom up. Of the 108 Assembly Members, 14 are women. Ultimately, it will be for the parties to decide whether women manage to come through and win election.

We have done everything that we can on the issue. Northern Ireland hosted the conference of women European Union Ministers. Earlier this year, we also held the women's national commission regional conference. A couple of months ago, Hillary Clinton and I hosted a conference, "Vital Voices", to encourage more women to seek office.

Maria Eagle: I thank my hon. Friend for that reply, and warmly welcome the progress that is clearly being made in Northern Ireland to ensure that more women participate in elected office. Does she agree that further progress towards gender equality in elected office could only assist the peace process, and that such equality will be a clear and visible indication that all sections of both communities are participating and being represented in the on-going peace process?

Marjorie Mowlam: I agree with my hon. Friend, and assure her that what we can do in monitoring, targeting and encouraging movement in the public sector, particularly the civil service, is being done. It is the political parties themselves that will be involved in making progress, and I am sure that they have heard her message.

Mrs. Ann Winterton (Congleton): Although I welcome any action to encourage more women to stand for elected office in Northern Ireland, may I ask the Secretary of State whether she will resist the temptation to revert to a former socialist policy of single-sex lists for nomination—bearing in mind that most women wish to be elected not only because of their ability, but because of what they stand for and can offer to the electorate?

Marjorie Mowlam: I am sure that the hon. Lady heard me say that the matter is for the individual political parties, whether they are in Britain or in Northern Ireland.

Equal Opportunities

7. **Mr. Chris Pond** (Gravesham): What measures her Department has taken to promote equality of opportunity in Northern Ireland. [54767]

The Minister of State, Northern Ireland Office (Mr. Paul Murphy): Parliament is currently considering the Northern Ireland Bill, which provides for a new

equality commission and for a new statutory obligation on public authorities to perform their functions with due regard for equal opportunities.

Mr. Pond: I thank my hon. Friend for that reply. I also welcome the establishment of the equality commission—as, I am sure, will the recently established Northern Ireland Low Pay Unit, which, I am sure, will receive the House's support. Does my hon. Friend accept that, in addition to those developments, the new deal—about which we have heard much today—and the national minimum wage will have a major impact in Northern Ireland by reducing the disproportionate impact of low pay and the gender pay gap between men and women in Northern Ireland? Will he tell the House when the national minimum wage will be introduced in Northern Ireland?

Mr. Murphy: I assure my hon. Friend that the national minimum wage will be the same across the United Kingdom and that the Northern Ireland Assembly will have no power to vary it. I can tell him also that discussions are continuing on other aspects of the National Minimum Wage Act 1998 for which the Northern Ireland Departments are currently responsible.

Mr. Robert McCartney (North Down): Will the Minister confirm that, in Northern Ireland, there must be equality of opportunity between democrats and the representatives of gunmen, and that there can be no progress in the peace process by placing the representatives of armed terror in government while terrorists remain fully armed with explosives and guns?

Mr. Murphy: It is very important that, as my right hon. Friend said, we implement all aspects of the Good Friday agreement, which was a package in favour of which the people of Northern Ireland voted by a very large majority. Events in the next few days in Belfast—with talks between the First Minister, the Deputy First Minister and all the party political leaders, including the hon. and learned Gentleman—will go a long way towards ensuring that those problems are resolved.

Mr. Kevin McNamara (Hull, North): My right hon. Friend the Secretary of State and my hon. Friend the Minister said that the agreement had to be implemented in full. Will my hon. Friend therefore give an undertaking to the House that all the direct powers given to the equality commission and to the human rights commission and outlined in the agreement will be put in place, specifically with regard to victimless crimes?

Mr. Murphy: My hon. Friend is aware, because we met earlier today to discuss these matters, that I and my right hon. Friend have had many meetings to consult on various aspects of the Bill—probably an unprecedented amount of consultation. I assure him that the agreement will be implemented in the Northern Ireland Bill.

Drumcree

9. **Mr. William Thompson** (West Tyrone): What is the estimated cost of the security forces' deployment at Drumcree in 1998. [54769]

The Minister of State, Northern Ireland Office (Mr. Adam Ingram): The additional cost of the Royal Ulster Constabulary operations at Drumcree, including the consequential impact elsewhere, during July 1998 amounted to approximately £11 million. Since July, additional costs have continued to be incurred by police at approximately £400,000 per month, due to the continuing protest.

Mr. Thompson: I thank the Minister for that reply. Does he agree that had the Parades Commission taken the right decision and allowed the parade down the Garvaghy road, the expenditure would have been much less. Does he further agree that had the proper decision been taken, the subsequent deaths and injuries might not have occurred? Finally, will he acknowledge that, as a result of the bad decision, community relations are at an all-time low in the Portadown district?

Mr. Ingram: It is worth while reflecting momentarily on the fact that one Royal Ulster Constabulary officer has lost his life as a result, and many others have been driven from their homes because of thuggery and brutal actions against them and their families. I am surprised that the hon. Gentleman did not refer to that.

There can be no question but that there is a need to uphold the rule of law at all times. That is something that this Government and previous Governments have done throughout the long history of Northern Ireland. The cost of that is one that the British taxpayer is prepared to pay because upholding the law is fundamental to all of us. I do not agree with the hon. Gentleman that the decision was wrong. It was a properly arrived at decision. Of course, we are now seeking to move it forward by bringing the two sides of the community together. The Government are very active in achieving some reconciliation within that community with the help of people from that community.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [54790] **Mr. Howard Flight** (Arundel and South Downs): If he will list his official engagements for Wednesday 28 October.

The Prime Minister (Mr. Tony Blair): This morning, I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall be having further meetings later today.

Mr. Flight: I am sure that the Prime Minister will agree that a common European Union withholding tax would be disastrous for employment and for the earnings of the City of London. Will he agree to use our veto if necessary to stop that happening?

The Prime Minister: We will certainly use our veto to stop any measure that will harm the City of London.

I have to say that not all measures that we agree with our European partners would do that, but if any measure did do that, we would certainly not hesitate to use our veto.

Q2. [54791] **Mr. Alan Johnson** (Hull, West and Hessle): My right hon. Friend will be aware that in the House last night the Conservative Opposition attempted to prevent British workers from being protected by basic minimum standards for hours of work, rest breaks and paid holidays. Will he assure me that the Government will continue to promote fairness in the workplace, thus ensuring that the Conservative party, which opposes the minimum wage and minimum standards, will remain a very minimum party?

The Prime Minister: We will certainly introduce the minimum wage. We believe that the Opposition's calls for the minimum wage to be cancelled next year are wrong and do nothing for people on very low incomes, for their families or for the economy. We believe that basic, fair, decent standards in the workplace are fully compatible with an effective and dynamic economy.

Mr. William Hague (Richmond, Yorks): The Prime Minister committed himself at the election to a referendum on the voting system in this Parliament. Is he still committed to it?

The Prime Minister: We have made it clear that we will state our position when the Jenkins commission reports tomorrow.

Mr. Hague: What is wrong with answering a question in this House yes or no? Does not the Prime Minister's answer reveal that he has got himself into something that he does not know how to get out of? He now has the Foreign Secretary, wherever he is, passionately in favour of proportional representation, the Leader of the House passionately against it, and himself passionately concerned to avoid answering the question, not knowing whether to betray the Liberal party or the Labour party. He has got himself into an indecisive position, like the late—*[Interruption.]*

Madam Speaker: Order.

Mr. Hague: The Prime Minister has become as indecisive as the late Lord Wilson, who also had a faithful dog called Paddy, although not on this particular subject. On 11 February 1997, he said in the *Financial Times:*

"We have made it clear all the way through that we are committed to a referendum and we are committed to it as part of our programme for the next Parliament".

Does that apply—yes or no?

The Prime Minister: As indeed I said a few days ago, we have always envisaged holding a referendum this Parliament, but we have also said that we shall wait for the Jenkins commission, to see what precise system of voting change it proposes. I should have thought that it was sensible to wait for the Jenkins commission to report before stating a view on it.

Mr. Hague: How is it that a commitment in the Labour party manifesto depends on the writings of the former leader of the Social Democratic party; and that the Prime Minister now envisages keeping a promise, but will wait to see whether he is going to do so? *[Interruption.]* Even he is laughing at the silliness of his own answers.

Is it not time the right hon. Gentleman stopped blundering into constitutional upheavals without knowing what they will lead to, and are there not higher priorities for the Government, with jobs being lost every day and with hospitals facing a crisis this winter? These are the real people's priorities. Should he not be dealing with them instead of trying to gerrymander a system that has served our country well?

The Prime Minister: First, we have made it clear that it is sensible to wait for the Jenkins commission to report, because obviously, the system that Lord Jenkins proposes will be relevant in determining the position of the Government and the referendum.

As for the people's priorities, since the Government came to power we have reduced the unemployment that we inherited from the Conservatives. There are now 400,000 extra jobs, and 100,000 children are being taught in classes whose size has been reduced since the Conservatives were in government. Under the present Government, after years of lengthening waiting lists, waiting lists are shortening. Under the Labour Government, thanks to the new deal, 140,000 young people are off the dole. That shows this Government addressing the mess inherited from the Conservative Government.

Ms Debra Shipley (Stourbridge): Will my right hon. Friend join me in congratulating the women in Stourbridge on taking a stand against domestic violence and joining the NSPCC and the police locally tomorrow, at a meeting, to bring attention to the appalling reality of violence in the home? One in 10 women suffered violence in the home last year, and one in four have done so at some time in their lives. Is my right hon. Friend aware that—even worse—in 70 per cent. of cases where the woman was abused, the child was also abused; and that, in 90 per cent. of cases where the woman was abused, the child was in the room or next door? This cannot go on.

The Prime Minister: Yes, domestic violence has been a problem that has probably been going on for a long period, but we are more aware of it today than ever before. I am pleased to say that my right hon. Friend the Home Secretary and the police are taking it far more seriously now, and will produce, over the next few months, a plan to try to reduce domestic violence and help its victims.

Mr. Paddy Ashdown (Yeovil): Will the Prime Minister acknowledge that loss of life on a substantial scale, starting with children and the elderly, is now only weeks away in Kosovo? [HON. MEMBERS: "Not again."] I am amazed to hear that from the Conservative Benches. Of course it is right that President Milosevic should have responded to the credible threat of the use of force, and that NATO should now preserve that on a hair-trigger. Should not our urgent attention now turn to the pitiful plight of the refugees who are suffering as a result of President Milosevic's brutality? Is not the scale and

urgency of the international effort nowhere near what is necessary to preserve them and prevent a catastrophe yet to come?

The Prime Minister: The right hon. Gentleman is right to say that there is still an awful lot more to do. We have provided £1 million to the United Nations High Commissioner for Refugees for co-ordination and shelter for the people who have been displaced. We have also given extra money to a range of non-governmental organisations. In addition, we are sending our own assessment team to ensure that supplies get to the people who need them.

A few weeks ago there were 50,000 people living outside. That has now been reduced to 10,000, so we are making progress; but I agree that we have to keep the activation order in being so that we can take action at any time if it looks as though Milosevic is not going to comply with the agreement into which he has entered. If he does not comply, we shall remain of the view that we must act, if necessary by military force.

Mr. Ashdown: The fact that the people are coming out of the forest does not mean that their lives will be saved. They are moving to appalling disease, overcrowding and, in many cases, homes that have no roofs and food that has been wasted and exhausted in the past few months. Britain has taken the lead in pressing for stronger action in Kosovo.

Will the Prime Minister now give us an undertaking that Britain will take the lead in pressing for the resources and urgency necessary to resolve the humanitarian problem? In particular, as we have used NATO aircraft to such good effect to persuade President Milosevic to comply, could we not use NATO aircraft to ship in the resources and materials necessary to ensure that those who have suffered from his brutality are able to survive the coming winter?

The Prime Minister: I certainly can give an undertaking that we shall do whatever we can. I am advised at the moment that we do not think that the delivery of humanitarian assistance would be helped by the use of NATO planes, but I understand that additional measures are being taken to try to ensure that daily relief convoys reach the parts of the country that they are currently not reaching. We shall keep the situation closely monitored.

The 40,000 who have come in from the outside have not just been left. They are being provided with the medical and food assistance that they need, but there is an awful lot more to do. I understand that, and we shall keep up the pressure all the way. It is a pity that we did not show the same international will that we are showing now six months ago, when this could have been dealt with far more easily and when we could have managed to get together exactly the right type of international co-operation that we needed. This country was taking a lead throughout that time.

Mr. Derek Foster (Bishop Auckland): Has my right hon. Friend seen the disturbing report in today's issue of *The Journal* of Newcastle, using figures compiled by the Northern Development Company, that we are losing five manufacturing jobs in the northern region for every one being created? I therefore welcome the fact that my right hon. Friend has forced the issue of jobs and growth to the top of the European agenda, but I urge him to go further and please his friends in the north by working with the French and the Germans to forge a consensus around new Keynesian economic and financial policies.

The Prime Minister: We should do what is sensible for the long-term strength of the economy. There are three essential elements to the economic policy that we have outlined, which I believe to be in the interests of the north as well as of the rest of the country. The first is an end to the disastrous boom and bust of the Conservatives. Interest rates at 15 per cent. for a year or more and manufacturing output falling by 7 per cent.—that is the Conservative record. The first thing is to end that boom and bust by the new fiscal and monetary rules.

The second thing is the new investment that we need, particularly in education, skills and technology—the Conservatives are opposed to it—because that investment raises productivity. The third thing, which has been of particular value in the north-east, is the new deal, which tackles social exclusion. All those measures are opposed by the Conservatives; all of them are in the interests of the north-east economy. We shall have difficult times, but we shall be in a better position to weather those difficult times if we take the right decisions for the long-term strength of the economy.

Q3. [54792] **Sir David Madel** (South-West Bedfordshire): Will the Prime Minister confirm that nobody still requiring medical treatment has been taken off national health service waiting lists?

The Prime Minister: People who are on national health service waiting lists and require medical treatment are dealt with in the normal way. I am not aware of any change at all to that practice.

Q4. [54793] **Mr. Barry Gardiner** (Brent, North): Will my right hon. Friend take this opportunity to tell my constituents who live around Wembley stadium about his discussions with the president of FIFA earlier this week? Will he assure us that Mr. Blatter did not leave these shores without being fully aware that England, in its bid to stage the world cup, has some of finest club grounds anywhere in Europe, and that Wembley stadium will be the finest new national stadium anywhere in the world?

Will the Prime Minister confirm that our Government will do everything in their power to ensure that not only the national stadium but all the transport infrastructure necessary for people to get there safely and securely are ready on time, in order that nothing stops football coming home in 2006?

The Prime Minister: Yes. There is a £300 million redevelopment project at Wembley. Wembley will be the finest stadium anywhere in the world. Mr. Blatter made it clear that, although he obviously recognised the strong case for an African country hosting the 2006 world cup, given the right facilities and infrastructure to do so, he also recognised England's very powerful case—with the finest stadiums in the world, massive new investment going into those stadiums and, as he pointed out, England of course being the motherland of football.

Mr. William Hague (Richmond, Yorks): Since last week's Question Time, Ernst and Young has predicted

that 500,000 manufacturing jobs will be lost in the next two years and the CBI has said that business optimism is at its lowest for 18 years. Does the Prime Minister still think, "Crisis, what crisis?"

The Prime Minister: I still think, as I said last week, that what is important is to get the issue in balance. Third quarter growth figures just reported show an annual rate of growth of 2.5 per cent. Since this Government came to power, 400,000 net new jobs have been created.

I agree that there will be a slowdown. I agree, too, that we are inevitably affected by what is happening around the world. I should point out to the right hon. Gentleman that the Organisation for Economic Co-operation and Development, the International Monetary Fund and the European Union have all downgraded their growth forecasts for next year. We will be affected by that. The best way of getting through that difficulty is to hold firm to strong fiscal and monetary rules and the additional investment in education and our public services—not to cancel Bank of England independence or that investment, which is his policy; that would simply lead us back to boom and bust.

Mr. Hague: Well, I am glad that the Prime Minister has begun to realise that there is a problem. Business optimism may be at an all-time low, but Government complacency has so far hit an all-time high. A job is being lost every 10 minutes, and the Prime Minister has been inventing a new excuse every two minutes. The CBI has called for a cut in interest rates. We have called for a cut in interest rates. Even the Chief Secretary has been calling for a cut in interest rates. Will the Prime Minister instruct the Chancellor to announce when he comes to the House next week a change in policy sufficient for the Bank of England to cut interest rates by a full 1 per cent.?

The Prime Minister: I assume that we just heard the right hon. Gentleman's policy announcement that he wants us to scrap Bank of England independence. Half the Conservative Members are nodding their heads and the other half shaking them. As I told the right hon. Gentleman last week, and as I repeat today, all international institutions have downgraded their growth forecasts. However, as I also told him last week, a net 400,000 additional jobs have been created. His alternative, cancelling investment in schools and hospitals next year and cancelling Bank of England independence, would be a disaster for the British economy. When his policies were last implemented, interest rates were at 15 per cent. for a year or more and our schools and hospitals did not have the investment that they needed. That may be the right hon. Gentleman's policy to weather these difficulties; it is not ours.

Mr. Hague: Businesses in this country need a change of policy from the Government, not a history lesson from the Prime Minister. I can tell the Prime Minister that there is a serious problem out there, the economy is heading in the wrong direction, and the Government now have limited time to do something about it. Will he now put in place the conditions for lower interest rates, and does he realise that unless he does so he will have been fiddling with the voting system while jobs burn?

The Prime Minister: First, may I point out to the right hon. Gentleman that interest rates are coming down? Secondly, with the coming slowdown and the world economic situation that I have described to him, our choice is to adopt either the policies that we have adopted or the policies that he advocates. The question therefore is: is scrapping Bank of England independence the right thing for the economy? We say no. We do not have a policy from the Conservatives—or rather, we hear two inconsistent policies at the same time from them.

We believe that in the circumstances that I have described, it is sensible to put extra investment into our schools, our transport, law and order and the health service. What is the right hon. Gentleman's policy? As far as we can find out from his shadow Chancellor, it is to cancel that spending. That is wrong. The third part of our policy is to keep in place the new deal, which is giving young and long-term unemployed people the chance to get into work. The right hon. Gentleman's policy is to cancel that.

Those are the choices. Are those policies—Bank of England independence, strong fiscal and monetary rules, extra investment in our schools and hospitals, and the new deal for the unemployed—the right ones? We say that they are—and we still have not had an answer out of the right hon. Gentleman as to what he proposes.

Q5. [54795] **Mr. Peter L. Pike** (Burnley): Will my right hon. Friend confirm that the Government remain fully committed to the introduction of the working families tax credit, and that such a policy, alongside the national minimum wage, is crucial to the low-paid in constituencies such as mine? Does my right hon. Friend not find it incredible that at Question Time on Monday last week, the shadow Secretary of State for Social Security advocated cutting that tax credit before we have even introduced it?

The Prime Minister: My hon. Friend has, of course, rightly corrected me. I said that the Opposition had not said what their policies were, but they have made one very specific policy commitment. They have said that their answer to the economic crisis—the Leader of the Opposition looks puzzled; he should check on what his shadow Ministers are saying. The Opposition have now said that they would cancel the working families tax credit.

The vast bulk of that would be family credit for 800,000 families. Working families tax credit will mean that from next October, low-income families, if there is anybody working in the family, will have a minimum income of £180 per week, and they will be able to have an income of £220 per week before paying tax. For some of the poorest income-earning families that will be a £23 a week incentive to get into work. The Conservatives are saying that we should cancel that.

What possible response is it to any economic difficulties to say that the price has to be paid by low-income families who need help to get back into work? Since the right hon. Gentleman has not used up his quota of questions, he should get up and tell us whether he stands by his shadow Minister, or whether he disagrees with him.

Q6. [54796] **Sir Raymond Whitney** (Wycombe): Is the Prime Minister aware that when General Pinochet handed over to the democratic government of President Aylwin,

the Chilean people decided to draw a line under their turbulent past? Does he understand that the crass way in which the British Government have handled Mr. Pinochet's latest visit to this country is threatening democratic stability in Chile and damaging British interests?

The Prime Minister: The hon. Gentleman's question is based on a misunderstanding of what has happened. The judicial process has not involved the Government issuing warrants for arrest. That is done by the Spanish authorities through Interpol to the British magistrates, who take it from there. I am afraid that the hon. Gentleman's question is misjudged and wrong.

Q7. [54797] **Mr. John McAllion** (Dundee, East): Is my right hon. Friend aware that, at the end of this month, the BBC—through its agent, Television Licensing—will withdraw from hundreds of pensioners in Dundee their entitlement to concessionary television licences because, it says, they no longer qualify following changes to the local council's house letting policy? Does he agree that the question of who is to blame for this matters not at all when set against the disgraceful reality that frail and elderly pensioners—who have done nothing wrong—are now facing a surcharge of £96 which they cannot afford and which they should not be asked to pay?

Will my right hon. Friend use his influence with the BBC to ensure that all existing concessions are preserved; more importantly, will he instruct my right hon. Friend the Secretary of State for Culture, Media and Sport to initiate an immediate review of the dog's breakfast of concessionary television licences so that some sanity and justice for the pensioners can at last be brought to bear on another mess that we inherited from the Tories?

The Prime Minister: I know that my hon. Friend has particular concerns about the way in which the scheme is operating for some of his constituents in Dundee. All Members of Parliament know that the way the concessionary scheme operates is an aching and continual grievance that pensioners feel. It is for that reason that my right hon. Friend the Secretary of State for Culture, Media and Sport has recently announced that the scheme—including the concessionary television licence—will be reviewed next year by an independent review panel. That will report by the end of July 1999, when we will consult on the proposals and on how the scheme can be improved.

We need to be aware that in proposing changes to the concessionary licence scheme, people will never want to lose money through it; and that if everyone gained the same amount, it could be very expensive. That is why the system needs to be looked at as a whole, and that is what my right hon. Friend the Secretary of State has announced.

Q8. [54798] **Mr. John Whittingdale** (Maldon and East Chelmsford): What contacts has the Prime Minister had with Lord Jenkins to discuss the recommendations of his commission for fiddling the voting system?

The Prime Minister: I do not accept in any way what the hon. Gentleman says. I have discussions with Lord Jenkins, as I have with lots of people. However, most people think that it is entirely sensible to proceed as we are so that we can get a proper report on an alternative to the present system, which people can then discuss. If the Conservatives do not want to be a part of the debate, that is up to them. They opted out of the constitutional debate on Scotland and Wales, but were then forced to accept it. They have opted out of the debate on the House of Lords now. They are wrong—it is sensible to have the debate.

Q9. [54799] **Dr. Doug Naysmith** (Bristol, North-West): Will my right hon. Friend confirm that it remains the intention of the Government to introduce a Food Standards Agency, despite the rumours and speculations emanating from so-called informed sources?

The Prime Minister: Yes, I can certainly confirm that. The establishment of a Food Standards Agency is a commitment by the Government which we intend to honour and carry out. My hon. Friend will know that we must put our legislative programme together taking account of all the various issues. However, we remain committed to doing it as quickly as possible. We all know the reason why we are having to set up an independent Food Standards Agency: because the party of BSE and E. coli never took the decisions necessary—but we will.

Mr. James Paice (South-East Cambridgeshire): Last month, unemployment—according to the statistics used by the previous Government—rose. *[Interruption.]* Went down, rather. However, according to the figures that the Government now use, unemployment increased. Which one is right?

The Prime Minister: That question was muddled from beginning to end. On the International Labour Organisation count, there was a marginal increase; on the benefit count, there was a decrease. Since we came to office, there has been a substantial decrease. All I am telling the hon. Gentleman and his colleagues about unemployment is that it is important to get it in balance. New jobs are still being created the whole time. Faced with the world economic downgrading of forecasts of growth, the economic financial crisis and the slow down, the question is: what are the right policies? We believe for example that cancelling the new deal would have a disastrous effect on unemployment.

Mr. Stephen Day (Cheadle): You have said that four times.

The Prime Minister: That is because at some point I hope to get a response from the Opposition and to find out whether they are in favour. I agree that there should be an economic debate and argument, but the Conservative party would be in a better position to conduct that debate and argument if it had some serious policy position of its own; it does not.

Q10. [54800] **Mr. Bill O'Brien** (Normanton): Is my right hon. Friend aware of the proposal of the Secretary of State for Culture, Media and Sport to call a meeting in Barnsley on 10 November to discuss the distribution of lottery funds in the former coalmining areas? Records show that we have lost out considerably as regards those funds. The meeting is welcome, but it must be meaningful. Will he impress on the Secretary of State the fact that, following the loss of culture and sporting

facilities and of jobs and job opportunities, there is every justification for the miners and mining communities requesting that meeting; and will he give it his blessing?

The Prime Minister: Yes, I am delighted that the meeting is taking place; of course, it was organised by the Government. My hon. Friend will know that the coalfields task force, which the Government established, said in its report in June that an increased share of lottery proceeds had a significant party to play in helping to regenerate the coalfield areas. Obviously, we will do what we can to ensure that any lottery moneys that come into those areas help to regenerate them. New deal money, too, will help by giving retraining and re-skilling opportunities to many of those people who have lost their jobs to industrial restructuring. That is an important part of the Government's programme which, as ever, is opposed by the Opposition.

Welfare Reform

3.31 pm

The Secretary of State for Social Security (Mr. Alistair Darling): With permission Madam Speaker, I should like to set out the next phase of the Government's plans to reform the welfare state and to deal with the annual uprating of benefits.

When we came to power, we faced two huge challenges—to raise standards in education and to reform the welfare state. Today, we rise to the challenge of welfare reform. Today, we put words into action.

Welfare reform is essential because many people are poorer than they need be, many are dependent on benefits when they need not be, and others are neglected when they should not be. Our central objective is to provide work for those who can and security for those who cannot. Our plans will be based on our belief in fairness, will give greater help to those with the greatest needs, and will ensure that benefits go only to those who are entitled to them. All reforms will be undertaken after consultation.

The vast majority of people who responded to the principles and success measures that we set out in the Green Paper earlier this year endorsed them, and I am happy to reaffirm them today. I have placed in the Library a copy of the list of respondents. What I announce today will be the first of a series of announcements that will form the basis of legislation during this Parliament, beginning early next year. Legislation will take effect over a number of years, but all existing claimants who are eligible for their benefits when the changes are introduced will be protected.

Today, we are publishing three documents to show how we are putting the principles that we set out into practice. The first is a document that shows what we have done so far on welfare reform—the new deal, child care, the working families tax credit—the principles that guide our reforms and the new measures that we are planning.

The second document sets out our plans for a single gateway, a something-for-something deal for those out of work that will change the culture of the welfare state. The third is a consultation document on our plans to reform disability benefits to give more help to those in greatest need and to tackle the abuses in the current system.

On the benefits uprating, I can announce today the largest ever increase in child benefit. As a result of the uprating, child benefit will rise from next April by £2.95 to £14.40 a week. That represents real security for our children provided by the Government. I can also announce new help for the poorest pensioners in the introduction of a minimum income guarantee. The poorest pensioners will receive a minimum of £75 a week and pensioner couples will receive £116.60. Again, that represents real security provided by the Government for today's pensioners.

Most national insurance benefits will increase in line with the retail prices index—3.2 per cent. Means-tested benefits will generally increase by 2.1 per cent. in the normal way. I have placed in the Vote Office the details of the uprating of benefits.

We have plans for a single gateway to the benefit system for people of working age. When I looked at the way in which the Department of Social Security handled our claims, I was amazed to see that people of working age could receive benefits without even having to turn up for an interview and without being given any help in finding work. That will change.

Through the £195 million for the new deal for disabled people, the £190 million for national introduction of the new deal for lone parents and the first ever national child care strategy, we have created new opportunities for people to work. We are ensuring, through the new minimum wage and the working families tax credit, that work pays.

We believe that, in return, it is reasonable that people of working age—lone parents, the unemployed and people claiming incapacity benefits—should be required to attend an interview to discuss their options for work. There will, of course, be people—such as the terminally ill—for whom an interview would clearly be inappropriate and for whom the rule would not apply.

We are not forcing people into work, but the interviews will give real opportunities to people who have been written off by the system. Our plans will create a fundamental change in culture. People will no longer ask of the system, "What can you do for me?" They will ask, "What can I do to help myself?" We will improve the quality of advice that we give as we learn from the new deal. We will proceed carefully, starting with pilots. The full scheme will be in place in April 2000.

Similarly, in disability benefits, we aim to provide work for those who can, and security for those who cannot. When the severely disabled are not receiving the help that they need, when 1 million disabled people say that they want to work but are not being given the chance, when a quarter of men over 60 are on incapacity benefit because the previous Government used it as a way in which to hide the unemployment figures, we know that the system has to change.

We promised in the Green Paper that disabled people should receive the support that they need to lead a fulfilling life with dignity; we shall keep that promise. The foundation for all that we do is an unshakeable commitment to comprehensive civil rights for disabled people to ensure that those people are respected not only in the workplace but in all areas of life.

We need to do more. Today, I can announce a £30 million programme, extra to the new deal, of new help for disabled people seeking work. We also want to improve disability benefits. Disabled people with the greatest needs are not receiving the support that they need, whereas others are receiving support that they should not. People disabled young in life with no hope of work receive so little through the severe disablement allowance that 70 per cent. of them have to claim income support. Disabled people on low incomes who need day and night care do not receive enough help to meet their extra needs, and young children with little mobility receive no recognition from the system. Meanwhile, claims to disability living allowance are not always supported by medical evidence. Some people have been awarded benefit for life even though they have conditions that are expected to improve.

Today, we set out for consultation proposals to provide more help for the most severely disabled people in greatest need and action to ensure that disability benefits go to the right people. First, we propose for new claimants a change in the way we support severely disabled people and others disabled young in life so that

[Mr. Alistair Darling]

they receive greater help. People aged 20 and over can already qualify for incapacity benefit, if they have worked, or for income support. Severe disablement allowance will no longer be available for them.

However, many young people disabled before they were 20 have little hope of work. Today, I can announce that we will give them the biggest ever rise in support, with an extra £25 a week in benefit.

We propose a fundamental reform to incapacity benefit for future claimants only. The benefit is meant to be for people who are unable to work, yet the number of claimants has risen threefold over the past 20 years, at a time when the nation's health has been improving. We are concerned that the benefit is being abused as an enhanced early retirement subsidy.

For future claimants, we will discourage the use of incapacity benefit as an early retirement subsidy. People who have a private pension or health insurance payment of more than £50 will receive less support. Every pound of private income that they have in excess of the £50 limit will reduce their benefit by 50p. We will restore the benefit to its original purpose as an insurance benefit for people who have worked. Too often, it has been abused as a more generous form of support for the long-term unemployed.

We will strengthen the link between work and benefit, and only people who have worked and paid recent contributions before the claim will be eligible for the benefit. We will reform the all work test, so that those who claim benefits have to give evidence of their work prospects. For the first time, we will have information on the work that disabled people can do.

We want to improve the provision for disabled people with the greatest needs. We will provide real security for the poorest disabled people with the highest care costs. Today, I can announce a disability income guarantee that will give £129 a week to a single person and £169 to a couple. The guarantee will be extended to three and four-year-olds so that a couple with one child on income support and disability living allowance with the highest care needs will get at least £199 a week. For the first time, we will also extend the higher rate of disability living allowance mobility component, worth an extra £35 a week to all three and four-year-old severely disabled children.

The benefit integrity project, which we inherited from the previous Government, has failed. It caused a lot of anxiety to disabled people, so we will cancel it, and in its place we will introduce a new system for reviewing claims to disability living allowance and attendance allowance that is both fairer and more sensitive. It will work in the interests of disabled people.

The changes will generate £$\frac{1}{2}$ billion in long-term savings; but even with the changes, real-terms spending on disabled people will continue to rise in the long run. The reforms do not affect the comprehensive spending review plans announced by my right hon. Friend Chancellor in July. It is quite right that, as our society gets wealthier, the amount that we spend on the most vulnerable should increase; but benefits must go to those for whom they were intended. We must give the most help to those in the greatest need, and the system must be affordable.

The structural changes that I have announced today will deliver significant savings over the longer run, but they will do so by ensuring that the greatest help goes to those in the greatest need and that benefits go only to those for whom they were intended. We want to provide work for those who can, and security for those who cannot.

Today, for the first time, we will provide real security, with record levels of child benefit. The changes are good news for those out of work, who will be given better advice and opportunities to work, but bad news for those who abuse the system or try to claim benefits to which they are not entitled.

Today, we are showing our determination to modernise the welfare state and reshape it for today's world, so that it provides opportunities for all those who want to work, and delivers security to all those who need it. I commend the proposals to the House.

Mr. Iain Duncan Smith (Chingford and Woodford Green): I thank the Secretary of State for his courtesy in letting me see his statement earlier, albeit only a little earlier. I would probably have learnt more by simply reading the *Evening Standard*, which carried a full, almost blow-by-blow account of the statement before he stood up to make it. That is yet another example of how the Government want to manipulate the House and use it to their own ends.

The Secretary of State said that he would rise to the challenge. I seem to recall that, with the previous big Green Paper on welfare reform, we had exactly the same rising to the challenge. There seems to be an awful lot of rising to the challenge but far too few challenges are really being met en route.

The Secretary of State was very long on a series of issues that seem, in many senses, to be relaunched, reissued and rehashed. Minimum income for pensioners has already been stated at least twice, and perhaps even three times, and the same applies to the uprating of child benefit.

Do the Government have plans to tax child benefit, as endless leaks in the newspapers suggest? Perhaps he would like to answer that question once and for all.

There have also been further leaks to the press about taking away child benefit from parents of 16 to 18-year-olds and giving it directly to those in higher education. Will he perhaps answer that once and for all?

There are, of course, important points on the disabled and on the gateway to benefit, which I will come to, but the reality is that, as usual, little has changed. There has been a lot of relaunching of clichés and a reannouncement of stuff from the past.

I turn to the main announcements that the Secretary of State has made today in his documents. On "The Gateway to Work", clearly, the Government have now decided that everyone should be eligible for work at least at the interview stage. The Opposition are not, in principle, opposed to that concept. *[Interruption.]*

The Under-Secretary of State for Social Security, the hon. Member for Wallasey (Angela Eagle), should be very careful because it was she who said:

"There is an authoritarian behavioural requirement for

She said that the jobseeker's allowance was

"illiberal in what is meant to be a democratic state."—[*Official Report*, 10 January 1995; Vol. 252, c. 109.]

Either she has changed her mind about jobseeker's allowance or become illiberal, authoritarian and anti-democratic.

When we introduced jobseeker's allowance, we were attacked by the then Opposition, who are now the Government. I assume that they now accept the great success of jobseeker's allowance and intend to apply it further, but serious questions remain with regard to the concept of the gateway. I should be grateful if the Secretary of State would answer some of them.

Paragraph 10, page 10 of "Principles into Practice" mentions that certain categories of people, such as the recently bereaved, single parents with very young children and others, will not be required to take part in immediate interviews for work. What does "immediate" mean? Exactly how long a gap does the Secretary of State envisage there being? Who will adjudicate as to who fits into those categories? The statements are very vague. He must have some idea in his own mind of exactly what that means. *[Interruption.]* Labour Members laugh because they like the general, but do not like the particular.

The Secretary of State made a bold statement on dependency and wishing to reduce it, but the more the Government move towards means testing, the greater dependency there will be. For example, in paragraph 21, page 16 of "Principles into Practice", there is a clear signal that the Government will apply a means test on occupational and personal pensions; for example, incapacity benefit is reduced for new claimants. Exactly how does that fit in with the right hon. Gentleman's reduction of dependency?

Does not the Government's statement about reducing dependency ring hollow given the working families tax credit that they are to introduce, which will massively, by their own statement, increase dependency? Does the Secretary of State not agree that, on the Treasury's statement, even someone on £38,000 a year will be moved into dependency directly as a result of that programme, so will the Government now admit that that they are beginning to attack the contributory principle and that what they intend to do—*[Interruption.]* As the Chancellor of the Exchequer has just said, they intend ultimately to abolish it—those were his words just now on the Bench. He intends to get rid of it, so will the Government now admit that that is what they are engaged in.

The Government refer in the document to the need to pilot some of the programmes. Does the Secretary of State admit that his lone-parent pilot programme was a clear disaster? The Government included no control pilots in it. Will he now accept that, unless he includes control groups in pilot projects, those, too, will be a disaster, just like his nationwide launch of the lone-parent pilot?

Serious questions need to be addressed. Will the Secretary of State specify what fall-out rate from the return to work is acceptable in these programmes and what the targets are for benefit savings? Will he also specify what the target is for the number that the Government intend to get back into work?

Finally, in "Principles into Practice", the Government state:

"at the point of change, no one loses from the reforms we are [illegible]"

What does that mean? Clearly, there will be losers. What does the Secretary of State actually mean? *[Interruption.]* Labour Members laugh again—the particular and the general, the same old rule. Nice clear statements are what are required. Surely, if the right hon. Gentleman cannot answer those questions and many others, it will become apparent over the next few weeks and months that he has missed another opportunity.

For the most part, the announcement is a rehashing of what has been and gone, a statement of the general, and of yet more consultation documents. There has not been much decision making and serious decisions have yet to be made—yet again, a missed opportunity.

Mr. Darling: The only missed opportunity is the hon. Gentleman's. I listened carefully to him, but I still do not know whether he is for or against anything that we have proposed. In the five minutes at his disposal, he raised several points of detail, but on the points of principle—our reform of incapacity benefit and our proposals to get people into work, to encourage more people to take opportunities available to them and to help those who are most severely disabled—he had not a single word to say.

Let me deal with the points that the hon. Gentleman did make, such as they were. As I understand it, the Conservative party is now committed to getting rid of the working families tax credit.

Mr. Duncan Smith: Not true.

Mr. Darling: The hon. Gentleman says, "Not true." He said so at the last Question Time. That is the single policy that the Opposition have set out. The working families tax credit ensures that work will pay. For many people who are trapped on benefits, one of the problems of the past was that work did not pay. The working families tax credit will get more help to people and will encourage them to get off benefit and into work.

The hon. Gentleman mentioned the new deal for lone parents, complaining that we should have done more piloting or had more control groups. That is a bit rich coming from a party that is against the whole thing. The Conservatives believe that the new deal is wrong, and they would leave people confined to benefits. I strongly believe that the new deal is a success. Nine out of 10 lone parents who have been interviewed have joined the new deal, which shows how much they wanted to take the opportunities available.

The hon. Gentleman asked about a couple of points of detail. First, we have made it clear that we must be sensitive when we introduce interviews that will be conditional on someone receiving benefit. It would be inappropriate to hold them immediately after a bereavement, and I am glad to have the opportunity to say so. I will happily discuss with the hon. Gentleman the length of time that he might think reasonable. However, we are rightly saying that we will be sensitive about how we handle these matters. Our objectives are to help people and to give them opportunities denied for years by the Conservatives.

Secondly, the hon. Gentleman asked what we meant when we said that existing beneficiaries would not be affected. We mean just that. Our radical proposals are for reform in the future. We are ensuring that we can meet the needs of the welfare state not for two or three years

[Mr. Darling]

but for two or three decades. We are reforming the welfare state: the Conservative party did absolutely nothing about it for 18 years.

Mr. Terry Rooney (Bradford, North): I thank my right hon. Friend for his statement, and particularly for his proposals about the single gateway, which will be a great improvement. Will he say more on his proposals for the abysmal failure that is the all work test, which clearly divided people between those picked to work or not to work, with nothing in between? That has imperilled many people. Can my right hon. Friend say how it might develop in the coming months?

Mr. Darling: I am grateful for my hon. Friend's support. The all work test has not been successful. It tends to consign people who pass it to complete inactivity. Everyone knows that people who have an incapacity may be capable of doing some work. I am anxious to assess clearly whether someone is eligible for incapacity benefit because of a medical condition, but I am anxious, too, to assess people using a new employability test that will ask what they can do and concentrate on their capacity rather than their incapacity. In the past, far too many people have been simply written off. Many people on incapacity benefit could work, and they want to work.

Mr. Mark Oaten (Winchester): The Liberal Democrats welcome several of the measures, notably the decision—for which we have long argued—to abolish the failed benefit integrity project. It is regrettable that that abolition has taken 18 months, but it is none the less welcome. Can the Secretary of State confirm that, from tomorrow, no tests will be associated with the project, and that no one else will lose benefits because of it? Can he tell us what penalties he is considering for those who fail to turn up for compulsory interviews? Will any benefits be lost? On means testing of incapacity benefit for those who have pensions, would the right hon. Gentleman not have been wiser to wait until the Government had resolved the issue of second pensions, as his measures clearly set a possible disincentive to saving? Does his package means more or less money for disabled people?

Mr. Darling: I shall deal with the hon. Gentleman's points in reverse order. Yes, the package clearly means more money for disabled people. The minimum guarantee, extending mobility allowance to three and four-year-olds and the new allowance for those disabled congenitally or when they were under 20 clearly represent additional help that was not otherwise available. On pensions, the important point is that, 50 years ago, very few people had insurance or occupational pension cover. Incapacity benefit was designed when such cover was not available. If we were starting from scratch—it is essential to take that approach in considering fundamental reform—we would ask whether it was sensible to pay money to some people who might have good occupational pension cover without taking that cover into account. With the £50 disregard, the first £50 is ignored, and after that there is a 50 per cent. taper, so people with an occupational pension or insurance cover will always be better off.

I do not agree that it might have better to wait for a further announcement. Part of the problem with welfare reform is that it is tempting to wait for the next announcement because one thus avoids taking all sorts of difficult decisions. At some stage, one must press on with firm proposals.

The hon. Gentleman asked about interviews. He knows that, to receive benefit, people have to sign up to a host of conditions. An important one will be that someone has to agree to come to an interview. I stress that there is a world of difference between that and telling people that they must take a job. We say that in the new deal for the young unemployed but not for lone parents. Nine out of 10 lone parents who came for interview liked what they saw and joined the new deal.

On the benefit integrity project, I cannot give a commitment that everything will change tomorrow morning. We have already made changes to remove some of its worst excesses which caused difficulties in the summer last year. I want to ensure that we have a system that gets benefits right from the start. Almost one third of disability living allowance claimants did not have apparent evidence to justify the award. That situation cannot continue. Equally, the trouble with the benefit integrity project is that it has removed people from benefit who, on any objective view, should not have been put in that unhappy position. That is why I want to move ahead with reform to carry on improving things and remove the difficulties. All my proposals will be subject to consultation. Assuming that the consultation agrees with what we propose, we will press ahead with legislation and make the necessary changes at the earliest opportunity.

Mr. Frank Field (Birkenhead): I welcome the Secretary of State's announcement, particularly those aspects which will increase help to the most disabled people, and the extension of help to younger children. I hope that I will be able to welcome the changes on the single gateway when I read more fully the proposals in his consultation document. On the consultation on changes to disability benefits, what will happen to the Government's proposals if most of the people and organisations consulted are against them? Of those people who will suffer cuts in their benefit as a result of the changes made today, will he say what proportion—*[Interruption.]* Well, cuts compared with what they would have gained had the current benefits remained in place. Of that group, what proportion does the Secretary of State expect to be successful in getting jobs?

Mr. Darling: I thank my right hon. Friend for his general support and acknowledge his work in the Department earlier this year, particularly in preparing the Green Paper, on whose principles and success measures we are building. The point of consultation is to listen and find out what people have to say about our proposals. Over the next few weeks, I expect that there will be points on which people will agree and others with which they disagree or on which they have better suggestions. That is the nature of consultation.

The right hon. Gentleman mentioned people who are no longer entitled to benefit as a result of the changes we have made. Those are changes intended to return incapacity benefit to its original intention in relation to contributions and which relate to our proposals for a better share between individual contributions and those from the Government. I believe that the changes are absolutely right in principle, but I repeat that no one receiving benefit under the present system will be affected. It would be

wrong to disturb arrangements that have been made and which have been proceeded with in good faith. These are all changes based on the future.

The right hon. Gentleman asked about work. I believe strongly that everything the Government are doing is essential in the modern labour market, where people will have several jobs between starting out and retiring. We must ask ourselves at every stage what the Government can do to keep people in touch with the labour market, which is a fundamental part of the new deal.

Mr. Andrew Rowe (Faversham and Mid-Kent): I listened carefully to the Secretary of State but even though he said that he is keen to keep people in touch with the labour market, I heard nothing about the growing number of people who are occupied in or seeking part-time work. One of the biggest industries in my constituency is fruit growing, which depends heavily on people who are prepared to pick as part-time workers. If the reforms are to mean anything, the transition from part-time to full-time work—or making available part-time work on terms that make it attractive—must be recognised as an indispensable part of a labour market that is increasingly dependent on people working part time.

Mr. Darling: Inasmuch as I understood the hon. Gentleman's point, part-time work is a matter of choice for some, but I fully accept that for many people it is the only option. What we have to do and what we are doing at every stage of the labour market reform is to make it more likely that someone can be kept in touch with the labour market to find full-time or part-time work as they think appropriate.

Ms Gisela Stuart (Birmingham, Edgbaston): I was delighted to hear the Secretary of State announce the cancellation of the benefit integrity project. When the Social Security Committee considered that issue in the summer we nearly recommended cancellation, but then decided not to. We felt that there was a difficulty with the claims that had been assessed and that a significant number of claims were outstanding based on inadequate information. Can the Secretary of State can tell me how many such cases are outstanding and what the transitional provisions are for that group and for the new arrangements that will be put in place?

Mr. Darling: My hon. Friend has raised a point that was raised by the Liberal Democrats. I shall make the position clear. The proposals I have announced this afternoon, including that in relation to the benefit integrity project, are the subject of a consultation paper that is available in the Vote Office now. Assuming the consultation succeeds and that people generally agree with what we are doing, we will proceed with the necessary changes either legislatively or, if possible, administratively.

The benefit integrity project is continuing now, but, as I explained earlier, we have removed some of the worst excesses. Cases in the pipeline will still be looked at because it is important to ascertain two things. First, we must ensure that we are getting the right benefit to those who are entitled to it and, secondly, where there is no evidence to justify it, we must do something about it. That process will continue.

I want to ensure that, not just in this area but across the benefits system, the DSS and the Benefits Agency spend more time getting decisions right in the first place rather than making a wrong decision and having to disturb an award that has been made, which is obviously difficult for the person receiving it. No one should be in any doubt that the process we have started by examining the benefit integrity project and disability living allowance and attendance allowance claims will continue. We will remove the aspects causing the most problems, but we will not return to the situation that existed before April 1997 when absolutely nothing was being done about the fact that far too many people were getting the wrong benefit.

Mr. Archy Kirkwood (Roxburgh and Berwickshire): The Secretary of State may recall that, as the hon. Member for Birmingham, Edgbaston (Ms Stuart) said, in May, the Social Security Committee recommended that the benefit integrity project should be put on probation for six months. I am sure that it is a matter of delight for the House that the Secretary of State has put it to death this afternoon. That is welcome. The right hon. Gentleman rightly made great play of the fact that existing benefits and payments would be protected and that changes to benefit levels would only come in the future. Does that apply to disability living allowance claimants who currently hold life awards?

Mr. Darling: The hon. Gentleman raises an important point. He will know, as many hon. Members do, that the concept of a life award within the DSS is misleading. Although we have called them life awards, they are not life awards. We have always had the right to review someone's entitlement to an award. I want to change that situation so that people know whether they will receive a benefit for a long period. It is also important that we constantly review people's entitlement so that, if their condition gets worse, we take account of that and perhaps pay them more, and if it gets better, we take account of that as well.

In the minority of cases in which the condition will not improve, it is important that we get away from a situation in which we give awards and then abandon the person, who may well be receiving the wrong amount of help.

Mr. Dennis Skinner (Bolsover): When he refers to keeping in touch with the labour market, is my right hon. Friend aware that in some areas in Britain, especially the coalfields, where all the pits were closed in the miserable years of the Tory Government, there is not much of a labour market? Will the people who do the interviewing be sensitive to the fact that there are not many jobs available?

Will my right hon. Friend bear it in mind that many disabled people work in Remploy factories, which are running into serious trouble in respect of orders, principally from the Ministry of Defence and so on? If my right hon. Friend wants those disabled people to continue in work, it would be helpful—and it would be symbolic for him as he carries through this reform—to ensure that disabled people do not lose their jobs in Remploy factories. Some steps will have to be taken

[Mr. Dennis Skinner]

in that regard. It would not be a bad idea if my right hon. Friend doubled the number of Remploy factories for the increasing number of disabled people who want to work.

Mr. Darling: My right hon. Friend the Secretary of State for Education and Employment and my right hon. Friend the Minister for Employment, Welfare to Work and Equal Opportunities have announced today extra help to enable disabled people to get into work. That will be welcome.

My hon. Friend makes an important point about the coalfields. The Government's objective is to create the right economic conditions to ensure sustainable economic growth everywhere, including the coalfields. The difference between what happens under this Government and what happened under the previous Government is that as a result of the new deal, rather than abandoning people once they are unemployed, we do everything that we can to put them back in touch with the labour market. I fully accept the point that my hon. Friend makes; that in large parts of South Yorkshire, for example, which were devastated in the late 1980s, we need to do more to help right across the board. We need to ensure not only that someone has the right skills and training but that opportunities exist. That is why the Government's approach to welfare reform and economic reform is that the two go very much hand in hand.

Miss Julie Kirkbride (Bromsgrove): Can the Secretary of State be a little more clear about what he has in mind with regard to the single gateway and his changes to incapacity benefit? Does he envisage one level of benefit for people who are on incapacity benefit now and people claiming income support or unemployment benefit? Will there be one level of benefit for different types of claimant, as there is in other countries that have introduced similar arrangements to those which the right hon. Gentleman proposes?

With regard to the all work test, are we to assume that that test will apply to those people at present on incapacity benefit? Even though they may have problems with mobility, they can nevertheless be deemed able to do a desk job and required to do some such work. Although they have a disability, they can still be part of the work force.

Mr. Darling: The hon. Lady is right. There are many people on incapacity benefit who could do some work. It may be different from what they have done in the past, and the object of a new employability test is to assess what they can do. There is nothing in the all work test that forces anyone to do anything. It is designed to provide help to enable people to work if they are able to do that.

The hon. Lady asked about the single gateway and a single benefit. There is nothing in what I said this afternoon that suggests a single benefit. We have a number of benefits, as the hon. Lady will know. The whole point about the single gateway is that, for the first time, people will be treated as individuals, rather than as part of a category. We want to ensure that all those of working age who enter the benefits system are asked what we can do to help them get back into work, such as improve their training, rather than simply being handed a benefit cheque.

Mr. Tom Clarke (Coatbridge and Chryston): I warmly welcome my right hon. Friend's announcement about benefits for people with disabilities, especially because of the number of young people who will now be involved. However, some of my constituents are concerned about the merit of some of the medical examinations: they feel that they are very short and not of a particularly high quality. Can that be tested? Secondly, on the question of appeals, which I know are not a matter for my right hon. Friend and which must, of necessity, be independent, some of my constituents are disappointed that they have to wait for 12 to 14 months, which is a very long time. Is there some general action that my right hon. Friend could take, without intervening in individual cases?

Mr. Darling: I am grateful to my right hon. Friend for raising two points with which I want to deal, the first of which involves the all work test and the nature of that test. He is right to say that a number of people have expressed concern about the nature of the test. One of the things that we have done since coming to power is to impose much higher standards on the people carrying out the tests, so that we can be satisfied that they are being conducted properly. Since being appointed, I have noticed a number of areas in which we can take further action to improve the standard of the tests.

My right hon. Friend also raised an extremely important point about appeals. To be frank, the current delay in dealing with appeals is unacceptable. However, there is good news on that front: we have set up a new appeals agency to take over from the independent tribunal service. Under the Social Security Act 1998, I acquired powers, not to make decisions—that would be quite wrong—but to lay down standards and, in particular, time limits within which appeals should be heard. I intend to pursue that vigorously.

Mr. Edward Leigh (Gainsborough): The Secretary of State mentioned uprating child benefit, but I am sure that he would be the first to accept that middle England, which he values so highly, would thoroughly resent any uprating of child benefit being wiped out by taxation, once joint income had reached higher tax thresholds. Will the right hon. Gentleman answer this simple question: does he accept that it is important to retain the principle of independent taxation when considering how and whether to tax child benefit?

Mr. Darling: Matters of taxation, independent or otherwise, are for my right hon. Friend the Chancellor of the Exchequer. The hon. Gentleman highlights yet again the problem of Opposition Members, which is that half of them call for more spending and half for less.

On the subject of child benefit, I forgot to answer a point raised by the Opposition spokesman, the hon. Member for Chingford and Woodford Green (Mr. Duncan Smith), when he accused us of hiding our tax intentions. We did not hide them. My right hon. Friend the Chancellor, standing at the Dispatch Box last year, made it quite clear when we introduced the increase in child benefit that he would consider whether or not there was a case for taxing child benefit—at least in respect of

higher-rate taxpayers. That remains our position and nothing has changed. I am glad that the Opposition are now at least welcoming the fact that we have given the biggest ever increase in child benefit, which will be of major help to every single child in this country.

Mrs. Alice Mahon (Halifax): My right hon. Friend has said that all those in receipt of benefit, including lone parents, will be required to attend an interview. Will that interview be compulsory? If they do not attend, will there be any penalties imposed?

Mr. Darling: Let me explain. The conditions in respect of the new deal—that lone parents can attend—remain exactly the same; in other words, there is no compulsion. Lone parents will receive a letter inviting them to come in for an interview, once their child passes the age of five.

We are proposing a slightly different system—a new single gateway to the benefits system. It will be piloted for the first two years before being fully implemented, so that we can see how it works in practice and improve on it. We are saying to lone parents, who are not compelled to take work, that there is a world of difference between that and asking them to come in for an interview to discover what help might be available to them. Because nine out of 10 lone parents who come in for interview under the present scheme have joined the new deal, the matter is worth pursuing.

On my hon. Friend's last point, assuming that we pass the pilot stage and obtain the legislative power to do so, it is right to say to everybody that, as a condition of receiving benefit, coming along for an interview to do no more than find out what options might be available is not exactly unreasonable.

Mr. Alex Salmond (Banff and Buchan): The Secretary of State said that the benefit integrity project is wrong, unfair, insensitive and should be scrapped. I do not think that there is one hon. Member with a constituency case load who could possibly disagree with that judgment. Nevertheless, if the project is to be continued for the time being, will not some people continue to lose their benefit unfairly? Will they be able to apply under the new criteria? If they are successful in doing so, will their lost benefit be restored to them?

Mr. Darling: If someone's benefit is restored on appeal, they will get their benefit back. The hon. Gentleman has to accept that, currently, the problem is that some people are receiving the wrong amount of disability living allowance. Some people are receiving DLA when the medical evidence for granting it is not immediately obvious, which—in any system—is clearly unsatisfactory. People need to have confidence in the system. Moreover, if we ensure that we are paying benefit to the right people, we could do more to help them. Other people are not receiving the right amount—they are not receiving enough—because their condition has worsened or was wrongly assessed initially.

I have made it clear that the benefit integrity project has to go because too many of its aspects are flawed. We have already taken a series of measures to remove some of the worst effects, and we have removed many of the problems—particularly those that occurred last year—of which hon. Members will be well aware. I want to replace the project with a system that ensures that we get the benefit right the first time. I want to ensure also that, when we review benefits, we review them to the benefit of disabled people, so that we can tell them, "If your condition has worsened, we can take account of that. If your condition has improved, we have to take account of that, too."

We want to get the system right the first time. We have inherited a situation in which, across the board, far too many decisions taken by the Benefits Agency have not been right the first time. That situation has to change.

Audrey Wise (Preston): May I welcome the extension of mobility help to three and four-year-old children, which I believe is overdue? May I also, however, express my concern about compulsory interviews for lone parents? If the interviews are intended to be helpful, why is it necessary to make them compulsory? Will my right hon. Friend confirm, quite categorically, that a compulsory interview is not the precursor of compelling lone parents either to seek or to accept employment, but that they will continue to be able to decide for themselves what is best for their children?

Mr. Darling: On the last point, nothing has changed from the situation today. I assure my hon. Friend that we have always made it clear that we are not compelling lone parents to go to work because of their particular circumstances. That position remains in future exactly the same as it is today.

My hon. Friend asked about pilots and why it is reasonable to ask people, right across the board, to come in. Let me give her one reason. On Monday, when I launched the lone parents' new deal nationally, I spoke to one lone parent who told me that she had ignored the first couple of letters she received because she thought that it was just another scheme. She turned up after receiving the third letter, was pleasantly surprised and is now about to complete training and go into work.

My point is that more people need to know what the Government are doing to help. There is a world of difference between coming in for an interview and being told what is on offer, and compelling someone to take a job—which, in the case of lone parents, we are not going to do.

Rev. Martin Smyth (Belfast, South): I share the welcome for some aspects of the statement, which other hon. Members have already mentioned. Will some of the forms be revised so that people can more simply find their way through them? Although it has been stated that the all work test should not be a snapshot at a specific time, people are regularly refused benefit because they are experiencing a degree of remission at a specific time. I know of one case, for example, in which a medical examiner not only rejected a person's claim for benefit but said that he was unfit to take a job as a civil servant. There is a need to fine-tune the system both upwards and downwards.

Mr. Darling: I am grateful to the hon. Gentleman for his support. I made it clear in reply to an earlier question that I do think that the all work test needs to be refined. I certainly agree that the test would not be a success if a snapshot were taken on a particular day when a person's condition might be much worse or better than usual. It is important to get the whole picture.

[Mr. Darling]

The hon. Gentleman makes an exceptionally good point about the forms. I am pleased to be able to tell him that we are already on the case, doing what we can to simplify them. We are already running some pilot projects which will make it much easier to claim benefit. We are using modern technology and simplified forms, and bringing forms together so that people do not have to fill in three or four to apply for benefit. The hon. Gentleman makes a perfectly good case, and I hope to be able to come back to the House in the not too distant future with some good news on that issue.

Mr. Roger Berry (Kingswood): I warmly welcome most of my right hon. Friend's statement. Does he acknowledge that, over the past three years, the number of people claiming incapacity benefit has declined significantly, not least because of the restrictions on eligibility introduced by the previous Government? Will he reassure the House that he has no plans to extend the qualifying period for incapacity benefit?

Mr. Darling: My hon. Friend asks about incapacity benefit and the qualifying period. I said that we are restoring incapacity benefit to its original purpose so that there is a more recent link between work and receiving that benefit. He also asked whether we want to make any further changes. I am not sure whether he has the consultation document yet, but the changes are fully set out in it. I think that I can reassure him on that point.

Mr. Steve Webb (Northavon): I am sure that the Secretary of State would not have wanted to give a misleading impression, so will he confirm that when he said that pensioners would be guaranteed an income of £75 a week, he was unaware of the 500,000 pensioners with savings who will have to live on less than £75 a week?

Mr. Darling: It is perfectly true that there are pensioners with savings—some have modest savings, while some have a great deal. I wish that the hon. Gentleman would stop carping about the minimum income guarantee. For the first time, we are giving more help to the poorest pensioners—more than they would ever have got under the previous Government. The Liberal Democrats should welcome that, not carp about it.

Mr. Malcolm Wicks (Croydon, North): In view of the need to ingrain in our social security practice some sense of balance between rights and responsibilities, most people would think it perfectly fair and reasonable that when people exercise their right to claim benefit, they should attend an interview to talk about their duty to seek work. Given the emphasis on improving the interface between social security and employment, is the logic that one day at local level we shall have integrated employment and benefit offices? Are the Government considering that for people of working age?

Mr. Darling: My hon. Friend may be aware that that is something in which the Government are extremely interested and which we intend to pursue more fully. The new deal attempts to do just that—to bring together the Employment Service and the social security system. The single gateway is an acceptance of the fact that the public, quite rightly, do not distinguish between the different Departments of Government. They expect the Government to provide help. As my hon. Friend rightly says, if the Government are to provide help, it is the responsibility of those seeking benefit or other support at least to find out what options are available. I for one will be happy to defend that proposal because it is entirely right and based on the correct principle.

Mrs. Jacqui Lait (Beckenham): Will the Secretary of State please clarify whether people who are currently receiving incapacity benefit will be called for an employability test, or will it be only new claimants? Also, will pensioners who have a minimum income guarantee continue to have access to housing benefit, council tax benefit and income support?

Mr. Darling: As I made clear, the single gateway system will be piloted, but we want to ensure that people who are not in full-time work and who are receiving benefits attend an interview. Where that is inappropriate, perhaps because of care responsibilities, we need to be sensitive. I do not for one moment belittle the hon. Lady's point. There are many details on which we want to consult, but I believe that the principle that someone should attend an interview to find out what help might be available at an appropriate time remains the right one.

Mr. Chris Pond (Gravesham): I welcome my right hon. Friend's statement. Is he aware that, in my constituency—as in many others—we have been carrying out a consultation process with disabled people about the way in which the current system operates? I assure him that those groups to which I have spoken will welcome his statement—especially the announcement about the abolition of the benefit integrity project. However, can he confirm that although, in two thirds of disability living allowance cases, there is no information to justify the amount of the award being paid, that is an indication, not of fraud, or even of overpayment, but simply of the non-availability of that information? Will he reassure people on DLA that there is no intention—as there was under the BIP—perhaps to hound them for potential fraud?

Mr. Darling: It is very important to distinguish between those people who defraud the social security system—which we all know happens—and those people who, through no fault of their own, have ended up with the wrong benefit. Since the week when I arrived in the Department in July, I have been worried that the systems that we have inherited are far from satisfactory. They need to be reformed to ensure that we get benefits right. It is far better that we ensure that a person receives the right benefit from the start, because otherwise, by the time the system catches up, they have proceeded so far down the road that it causes all sorts of difficulties when we try to put matters right. We are determined, therefore, to place far more emphasis than there has ever been on getting decisions right first time.

Mr. Quentin Davies (Grantham and Stamford): The Secretary of State studiously—many people will think, disingenuously—avoided the phrases "means test" or "benefit reduction". Does the right hon. Gentleman agree,

however, that, if incapacity benefit above £50 is means tested in future, first, a lot of future claimants will lose incapacity benefit to which they were entitled, and for which they believe they have paid through their national insurance contributions; and, secondly, the Government will once again have delivered a major blow to the principle of the national insurance system? We get a blow to the system about once a month. Why do not the Government come clean and say that their real agenda is to erode the contributory principle and the national insurance system and, ultimately, to destroy it altogether?

Mr. Darling: Although, to be fair, I believe that for much of the past 18 years the hon. Gentleman was in opposition to the Conservative Front-Bench team, he might want to reflect on the fact that the national insurance system and entitlement to contributory benefits were changed on the odd occasion during those 18 years. I believe that people realise that national insurance funds the system on a pay-as-you-go basis. It is not a fully funded system, so it is rather different from, let us say, an insurance scheme.

On the incapacity benefit changes, I believe that, in this day and age, when far more people have cover—sometimes substantial—it is entirely right that the risk should be shared fairly. The Conservatives may have pledged themselves to oppose that—which is curious given that, although they are always saying that they want to reform the welfare state, they have absolutely nothing to say on the particulars.

I believe that the change is entirely fair, and I have made it absolutely clear that the proposals are for future beneficiaries only. People on existing incapacity benefit will not be affected. The hon. Gentleman is therefore wrong on both counts. I am only sorry that at no time in the last hour have we heard a word from Conservative Members as to what they would do to reform and improve the benefit system.

Several hon. Members *rose—*

Madam Speaker: Order. That concludes the statement. We must move on.

Senator Pinochet

4.29 pm

Sir Norman Fowler (Sutton Coldfield): On a point of order, Madam Speaker. There has been a very significant development in the case of Senator Pinochet. The divisional court has now held that he is entitled to immunity from prosecution. The democratic Government of Chile have also made it clear that they want these proceedings to come to an end. In view of those developments, may I ask that the Home Secretary come to the House without further delay—[HON. MEMBERS: "He is here."] Right. I hope that, without any further delay, he will make a full statement on the Government's position. This has dragged on day after day, and we have not had a statement. It is crucial that would should have one. The issue is not answered by the Home Secretary sitting there without saying anything.

Mr. David Winnick (Walsall, North): Further to that point of order, Madam Speaker. Many of us are very concerned that the court decision could result in Pinochet leaving the country without a debate in this House. I recognise that what has happened so far has been strictly in accordance with the rules. The Home Secretary was not in a position to make a statement, because the matter was sub judice. However, should there be any possibility of that former murderous dictator leaving the country, the House should be able to have a debate first.

I have noted the ruling that you gave yesterday, Madam Speaker. However, you will have noted that there have, rightly, been endless articles in the media about Pinochet and the terrible crimes that were committed when he was a dictator. It would be most unfortunate, to say the least, if, because of court rulings, Pinochet were able to leave the country on Thursday, for example, without the House being able to debate the subject. I hope that you will give that careful consideration. I make no apology for my strength of feeling and that of my hon. Friends about that murderous criminal.

Mr. A. J. Beith (Berwick-upon-Tweed): Further to that point of order, Madam Speaker. I wonder whether you feel that, rather than the Home Secretary being asked to make a statement, it would be helpful if the Attorney-General came to the House to give us some guidance on the international implications of what has happened. Although he has made decisions in that area in a different capacity, what has happened affects our understanding of international law and the circumstances in which people can be prosecuted in one country or another, and kept in a country for that purpose.

Ann Clwyd (Cynon Valley): Further to that point of order, Madam Speaker. Yesterday you ruled that early-day motions on the issue should be suspended. There is strong feeling in the House, and many of my hon. Friends wanted to add their names to those motions. I take it that, as the court has made a ruling and no appeal has yet been lodged, it is possible for the suspension to be lifted. I find the court ruling extraordinary. Is it a clear signal for heads of state such as Saddam Hussein that they can come here and have tea with Margaret Thatcher in future?

Madam Speaker: As the House is aware, I have no authority as far as Government statements are concerned.

[Madam Speaker]

Ministers make statements when they consider it appropriate. As the House also knows, the procedures under extradition law and the circumstances of the case involving Senator Pinochet are very complex. I understand that an appeal is pending, but I have had no time to ascertain what the legal position is now, having been in the Chair since 2.30 pm. Until I have had an opportunity to reflect on the situation, I propose to regard the case as still sub judice.

I remind the House, as I did yesterday, that I do not make rules as I go along; I uphold the rules of the House. As soon as it is possible to do so, early-day motions that have been withdrawn from the Order Paper will be returned to it, and hon. Members will be able to question Ministers.

Prostitutes' Advertisements (Public Telephone Boxes)

4.33 pm

Ms Karen Buck (Regent's Park and Kensington, North): I beg to move,

That leave be given to bring in a Bill to make it an offence to place advertisements for prostitutes in public telephone boxes; and for connected purposes.

The problem of carding is localised, but severe. Corners of central London in or bordering my constituency are awash with cards, as, I understand, are parts of Brighton, Southampton, Birmingham and some other cities. To give the House an idea of the scale of the problem, British Telecom removes an average of 14 million cards each year. Ten million cards were removed in Westminster during one monitoring period between August 1996 and January 1998. One thousand boxes are carded regularly. Some boxes can display 80 cards at one time. At the absolute minimum, the cards create an appalling litter problem. More seriously, cards are becoming increasingly graphic and sexually explicit, with photographic illustrations and descriptions of services offered that stretch the imaginations even of hon. Members, who are notoriously broad-minded.

I am not a prude; I find prudery tedious. I do not want to live in a sanitised, Disneyland-type city—however pleasant Disneyland may be to visit with one's children. But nor do I want to be confronted against my will with pornography. It is not fair effectively to prevent women and children from using telephone boxes because they feel threatened by the sleazy environment that the cards create. I do not see why a child calling home on his way from school should be confronted with advertisements for golden rain, bondage and foot fetishism.

There are two ways of dealing with such cards: a comprehensive call-barring scheme, and the introduction of a criminal offence of carding, as I propose. I would greatly welcome a comprehensive call-barring scheme. I congratulate BT on its voluntary scheme, and investment in cleaning up telephone boxes. Other telephone operating companies need to come on board quickly, and the Office of Telecommunications should move swiftly to permit outgoing call-barring, blocking calls from call boxes to the telephone numbers advertised on the cards.

My Bill creates a criminal offence of carding. That will help to reduce the number of carders, since penalties can be stiffer than the average fine of £200, which is little more to carders than an occupational hazard. A new criminal offence would replace the time-consuming, cumbersome and expensive process whereby the local authority or the police must take out injunctions—even then, only after five prosecutions—by using the Town and Country Planning (Control of Advertising) Regulations 1992. Westminster council alone is spending £20,000 on serving 20 injunctions at the moment. A financial and administrative burden is being placed unfairly on certain police divisions in certain local authority areas.

I am aware of the difficulties of drafting legislation on this issue, but I urge the Home Office to move swiftly and to resist partial solutions, which rely on local authority enforcement powers and may simply move the problem, particularly in areas of central London such as those that I represent, across a local authority border, from one block of streets to another.

I am grateful for the sympathetic response that I have received from the Home Office and the Department of Trade and Industry on both call-barring and criminal offence issues. I hope that we can move forward. There is clear cross-party support on the issue. More than 80 Members of Parliament have written in support of firm action to deal with the problem. Doing so would be welcomed by Members of Parliament and business, as well as by residents of corners of our cities that are afflicted by the problem.

I am conscious of the argument that action against carding may result in prostitution being pushed back on to the streets. That is a serious and valid point. Out of concern for the safety of prostitutes—they are at risk—I do not want that to happen. Indeed, the problem of sleaze in the streets that I have described would be even greater were we to return to the situation of a few years ago, when prostitutes were working the streets.

But cards in telephone boxes are not the solution to that. They are messy and offensive, and allow no choice for members of the public who wish to make a telephone call from a public box but do not want to be confronted with such pornography. We must clamp down now on the carding nuisance, and recognise that advertising may move, and may have to move, into more targeted mediums, allowing people choice, and freeing up communities such as those that I represent from a palpable and serious nuisance.

Question put and agreed to.

Bill ordered to be brought in by Ms Karen Buck, Dr. Alan Whitehead, Mr. Alan Clark, Mr. Andrew Dismore and Mr. Tony McNulty.

PROSTITUTES' ADVERTISEMENTS (PUBLIC TELEPHONE BOXES)

Ms Karen Buck accordingly presented a Bill to make it an offence to place advertisements for prostitutes in public telephone boxes; and for connected purposes: And the same was read the First time; and ordered to be read a Second time tomorrow, and to be printed [Bill 250].

Army

[Relevant documents: The Eighth Report from the Defence Committee of Session 1997–98, on the Strategic Defence Review (HC 138-I).]

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Jamieson.]*

4.39 pm

The Minister for the Armed Forces (Mr. Doug Henderson): It is an honour to open the first debate on the Army since January 1996. I intend to cover some of the important operational and staffing issues affecting the Army, and my hon. Friend the Under-Secretary of State for Defence will address equipment issues in winding up.

Several hon. Members have asked about the future and form of such debates. I want to reassure the House that the Government have no plans to reduce the long-standing arrangement that three days each Session are given over to debates on service issues. I do not, however, rule out the possibility of changing the focus of each debate, to make the debates more relevant to the operational activities and structures of the armed forces themselves. I know that there is some support for that idea on both sides of the House, and the Government want to discuss the issue with those who have a view to express.

The debate comes at a time of change. Indeed, only last week the House debated the Government's long-term vision for Britain's defence. Change means building on the Army's historical strength. In last week's debate, the Army was justly commended in all parts of the House for the determination, commitment and dedication of its officers and soldiers. I am pleased to be able to pay tribute today to them, and to the sacrifices that have been made on behalf of the rest of us in this country. Our Army aims to be the best—and it is the best.

The deployment of our Army in different roles in Northern Ireland, in the Balkans, in Cyprus, and in defence diplomacy worldwide, has given it a depth of experience and a rightful reputation second to none.

Mr. Tam Dalyell (Linlithgow): Before my hon. Friend leaves the subject of Northern Ireland, will he confirm that it is the Ministry of Defence, not the Northern Ireland Office, that is responsible for deciding whether Guardsmen Fisher and Wright can rejoin their regiment, the Scots Guards?

Mr. Henderson: I can confirm that the decision will be made by the Army Board.

When we consider the reputation of our Army all over the world, we should never forget that its effectiveness is founded upon its ethos. As I have met our troops in Northern Ireland and in Germany, and those in barracks preparing for deployment in the world's trouble spots, the strength of that ethos has been apparent to me.

There is a discipline that recognises that a battle can be won only if everyone plays his or her part in the team effort, and an integrity that acknowledges that every soldier has to impose that sense of discipline on his or her own activities in the interests of the team objectives.

There is courage—displayed in both a physical and a moral way—without which the difficult conditions of the urban jungle, the desert or the frozen mountains could not

[Mr. Henderson]

be overcome. There is loyalty, which the platoon—through to brigade and division—cements into an effective force. There is selflessness, which, in the extreme, means the ultimate sacrifice of one's own life. Those are the qualities that I know inspire those who serve. Those are the qualities that count when building a reputation in peace, and when winning a battle. Those are the qualities that make our Army the best, and give it the basis to act as a force for good in this difficult world.

Mr. Paul Keetch (Hereford): The Minister mentioned quality. Does he agree that the 22nd Special Air Service Regiment, based in my constituency, is one of the finest regiments in the world? He also mentioned loyalty. Does he agree that the number of books that we are now seeing by former members of the regiment are of great concern to serving and former members of the regiment? Would he once and for all destroy the myth published in a recent book that it might be Government policy to disband the regiment and start again? Will he assure me and the regiment that that is not the Government's intention?

Mr. Henderson: I can assure the hon. Gentleman—and any other hon. Member who wishes to refer to the quality of their local regiment—that I am proud to confirm that the quality is high throughout the British Army, and that that is built on the strength of its historic role. In relation to the publication of articles by ex-serving members, where their contracts prohibit the disclosure of certain forms of information, the Government will take every action to make sure that they are unable to engage in disclosure which could be harmful not only to their ex-colleagues but to the interests of the defence of this nation.

I want to refer now to two principal operational theatres. Our Army is currently at the highest level of operational involvement of any comparable army, with about one in four of our serving officers and soldiers involved in operations at any one time.

In Northern Ireland, the Belfast agreement represents a new start for the people of the Province. In August, I saw for myself our soldiers serving in difficult conditions in the Province. Without their efforts in places such as Drumcree—where they played a vital role in supporting the Royal Ulster Constabulary—the Belfast agreement would not have been possible. I know that this House will want to join me in paying tribute to the service men and women who have done so much to uphold the rule of law in Northern Ireland, and who, in all too many cases, have paid for it with their lives.

The House is aware of the important momentum for peace in the Province, which has enabled a reduction in the number of troops there. Routine military patrolling has ceased in many areas, and several security bases have been closed. Those are consistent with the current security situation, but the security forces have not lowered their guard. While a significant terrorist threat remains—as, regrettably, it does—troops will remain in Northern Ireland to support the RUC. Numbers will be returned to garrison strength only after a lasting peace has been achieved.

In other operations, the Army plays a crucial role. The UK provides the second largest force, after the United States, to the NATO-led stabilisation force in Bosnia. We currently have about 5,000 troops committed to this force who are playing a vital part in enabling the Bosnian people to start rebuilding their environment. That is also true in Kosovo. I can inform the House that the British military verifiers—including 50 Army personnel, who form the UK contribution to the 2000 international verifiers required by the Holbrooke agreement—are now ready for deployment when required by the Organisation for Security and Co-operation in Europe.

As hon. Members will be aware, there are other important commitments that the Army has to undertake.

Mr. Andrew Robathan (Blaby): When does the Minister expect the commitment in Bosnia to end? He will recall that, when troops first went there, it was for an initial period of six months, in 1993 or 1994, I think.

Mr. Henderson: The hon. Gentleman raises an important point, which always arises when an intervention force has to re-establish peace and build stability. Often, it is an open-ended commitment. Without the benefit of a crystal ball, it is often impossible to determine how long our armed forces will have to make such a commitment.

The important aspect of the strategic defence review is that it provides for deployment in that context. It gives us the capability to take initiatives and contribute to international efforts in places such as Kosovo for a period. Related issues, such as overstretch, must be borne in mind, because they are central to the matter the hon. Gentleman raised. Before I move on to that subject, I must mention a couple more important core activities of our Army.

My right hon. Friend the Secretary of State announced plans a year ago to increase the assistance that the Ministry of Defence provides to humanitarian de-mining. Since then, the mine information and training centre at Minley has become an important focus for awareness about anti-personnel land mines. In the past year alone, its staff have conducted liaison visits to Bosnia, Croatia, Cyprus, Laos and Cambodia.

We must always remember that, within the United Kingdom, the Army continues to provide invaluable assistance to civil authorities, with cover ranging from the disposal of wartime bombs, which happens quite regularly, to help with flood relief.

Mr. Julian Brazier (Canterbury): Before leaving tasks, is the Minister aware that, as part of a shift towards home defence, the Americans are establishing 170 sub-units for nuclear, biological and chemical home defence, all in the volunteer reserves? Why is that role to be taken away from the only British nuclear, biological and chemical defence regiment, which is in the Territorial Army, when it has just returned from trials in America that it passed with flying colours?

Mr. Henderson: As I will explain later, decisions have not yet been reached, and Ministers have not yet received proposals for the future of the Territorial Army. However, I can reassure the hon. Gentleman that a review of the nation's needs as regards biological and chemical warfare is being undertaken. When the Government are in a position to make recommendations, the House will, of course, be informed of our needs in that regard.

Mr. Menzies Campbell (North-East Fife): I am grateful to the Minister, who is being characteristically

generous in giving way. Did he have an opportunity to see the article written this week in *The Times* by Mr. Michael Evans, the much respected and invariably well informed defence correspondent of that publication, in which he asserted that the Territorial Army will next year have to sell drill halls to the value of £42 million to make up its budget? Is that assertion true, and, if it is, what will be the consequences for the TA if it is unable to realise enough money from the sale of property? Will there have to be further cuts in numbers?

Mr. Henderson: I know that the hon. and learned Member is always careful to trust in what he reads in the newspapers. I also know that he always tries to be helpful. No decisions have been reached on the future of the Territorial Army. I have not received any recommendations from the Army. When I do, I shall expect them to be on staffing levels and on capital assets. We need to consider how best we can utilise capital assets in the interests of organisations such as the Territorial Army, and I would be wrong not to take that into account.

Mrs. Jacqui Lait (Beckenham) *rose—*

Ms Roseanna Cunningham (Perth) *rose—*

Mr. Henderson: I am beginning to be over-generous. I shall take one more intervention; then I shall press on.

Mrs. Lait: I am grateful to the hon. Gentleman. Before we leave the subject of the best use of Army assets, will he say what stage the tracker programme has reached? Is it appropriate for the Army to have a programme that is mounted on an armoured personnel carrier and cannot see over hills and round corners, given that battlefield reconnaissance systems such as airborne stand-off radar are available? Would he not save himself some money by not allowing those particular boys to have those particular toys?

Mr. Henderson: In the spirit of constructiveness, I should point out that the hon. Lady was—I think—referring to the tracer programme, for which there is a future. It is an important element of our capacity to redeploy—or deploy—to wherever it is necessary for our forces to move.

In the debate last week, questions were asked about the Army's structure. The depth and breadth of the Army's contribution is immense. The important changes to its structure set out in the strategic defence review are designed to ensure that it can meet its future commitments without overstretch. I tell hon. Members who raised the matter last week that I am still considering the structure of Land Command in the United Kingdom; I expect to announce the conclusions of the review shortly.

A number of other changes arise out of the SDR. In the long run, a higher level of recruitment is crucial if we are to tackle the problem of overstretch and meet our staffing targets. However, as the Defence Committee identified, other measures can help. The creation of a sixth deployable brigade and the delivery of a coherent formation readiness cycle are central to improving the Army's ability to deliver combat-ready formations in the future.

The three-year cycle will ensure that formations and units can train properly, can meet their liability to the new high-readiness joint rapid reaction forces and their operational commitments, and can maintain an average operational tour interval of 24 months. That will reduce overstretch and improve the quality of life for our soldiers.

I inform the House that the new brigade will be known as 12 Mechanised Brigade. It will consist of an armoured regiment, as well as armoured and mechanised infantry, and will give the Army a potent and flexible new formation. The brigade headquarters will form at the end of next year, and the brigade will start training year in 2001. [HON. MEMBERS: "Where?"] That is still under consideration.

The creation of a single specialist air manoeuvre brigade will integrate the proven experience of our airborne forces with the formidable capability of the attack helicopter. The new formation will be known as 16 Air Assault Brigade. The number 16 was chosen as it has a long association with the Paras, who will be providing two battalions to the new brigade.

Mr. Bob Russell (Colchester) *rose—*

Mr. Henderson: I must press on a little.

The Territorial Army preoccupied the minds of hon. Members on both sides of the House during last week's debate, and it will no doubt be the focus of many speeches today. A statement will be made to the House as soon as decisions have been taken. However, Ministers have not yet received any proposals.

Mr. James Gray (North Wiltshire): A moment ago, the Minister told my hon. Friend the Member for Canterbury (Mr. Brazier) that decisions had not yet been taken, because Ministers had not yet been given any advice. Am I right in thinking that, according to paragraph 102 of the strategic defence review, the only decision that has been taken about the Territorial Army is that the nuclear, biological and chemical capability will be taken away from it and given to the regular Army? If that is so, the answer that the Minister gave my hon. Friend was not entirely correct.

Mr. Henderson: I will receive proposals from the Army at a later stage that will be consistent with the commitments in the strategic defence review. I outlined the principles in last week's debate, and I will be happy to do so again today, lest anyone be unclear. The principles are as we described: that the Territorial Army should be integrated with the regular Army; that it should be relevant, fully resourced and trained for real tasks in today's world; and that, above all, it should be usable.

Mr. Stephen Hepburn (Jarrow): Has my hon. Friend received my written submission to the review, and will he consider meeting me soon to discuss the future of the territorial regiment in Jarrow? That regiment, a parachute regiment, ideally suits the new role for the armed forces. One must not forget the social aspect in constituencies such as mine, where the regiment makes a real contribution to the economy.

Mr. Henderson: I have received representations, and I will be happy to meet my hon. Friend or his colleagues to discuss that issue. My office has told every hon. Member who has written to me that I am prepared to see

[Mr. Henderson]

local representatives, but I cannot see everyone individually, or I would be here all month; I have asked that, where there are common interests, hon. Members should come to see me in clusters. My office has made some time available in my diary for that in the coming weeks. I am happy to have such meetings, as I want to have a full knowledge of local views.

Several hon. Members *rose—*

Mr. Henderson: I have been very generous, and now I will be a little bit more generous, after which I will stop being generous.

Mr. Eric Martlew (Carlisle): I thank my hon. Friend for his generosity. Perhaps his answer could save a delegation having to come to see him. I want to ask about Cumbria and North Lancashire, and the King's Own Border Regiment.

My understanding is that the proposal is to create one company in the area. It looks like we are being dealt with very badly. There is a strong case for a second company, and I would obviously like that to be in Carlisle. We should consider whether there should be detachments. In my area, there is no money to be made by selling the TA centre, because it is Carlisle castle, a grade I listed building. If we get only one company in Cumbria, could a detachment be provided in Carlisle? Of course, we would prefer two companies.

Mr. Henderson: I will consider proposals from the TA and the Army once they have been submitted. I want full consultation, so that the objectives can be discussed locally and best solutions can be proposed. Conservative Members obtained a copy of an original document last week, and waved it about the House. The officials involved in that consultative document will review all the discussions locally and then make proposals to Ministers. Until that is done, no decisions can be reached. I have an open mind on geographical matters, but not on the principles.

Several hon. Members *rose—*

Mr. Henderson: I should press on now. I gave way very generously last week and have done so today, and I want to move on to the other issues. I have said that I am prepared to see any hon. Members who want to raise specific matters, possibly in clusters.

Ms Roseanna Cunningham *rose—*

Mr. Mike Hancock (Portsmouth, South) *rose—*

Mr. Henderson: I am not prepared to give way, and I am not moveable on that. I am going to move on.

My hon. Friend the Under-Secretary of State will deal with a wide range of procurement issues in winding up, but I should like to refer to two pieces of equipment for the Army.

The Challenger 2 tank is beginning to be introduced into service. This is a British product that is used by the British Army. When asked what he thought of the tank, a soldier in the Royal Scots Dragoon Guards said to his commanding officer, "Aye, Sir, this is better than we had before". That is a clear judgment from those in the front line. That is our judgment, and it will, I believe, be the judgment of the international army community. The tank is good for the British Army, and it will be good, I believe, for our international exports; this is a top-quality product that can be sold to other armies throughout the world.

Mr. Robert Key (Salisbury): The hon. Gentleman is indeed being extremely generous in giving way.

There is just one problem with the Challenger 2 tank, of which the hon. Gentleman is proud and the Conservative Government were proud, too: where are the tank transporters? What has happened to the contracts that were meant to be up and running now for the tank transporters? The old ones will not carry the Challenger II, and there is still no date in prospect for the delivery of the new transporters.

Mr. Henderson: I understand the hon. Gentleman's point, but the Army is confident that it has the means to put those tanks in place in a battlefield situation. As he also knows, these matters are constantly under review. We are always looking for better ways in which to transport and, indeed, to maintain and service tanks and other equipment. That is an continuing process that my hon. Friend the Under-Secretary of State for Defence and I take as a high priority.

Mr. Hancock *rose—*

Mr. Henderson: I am not giving way.

The second piece of equipment to which I wish to refer is the Apache attack helicopter, another British product to be used by the British Army. Again, our troops are excited by the prospect of it being brought into service. I believe that that also augurs well for exports.

Staffing is an important matter, which was covered in last week's debate, but it is also germane to this afternoon's discussions. As the House will know, the Army is 5 per cent. understaffed. That shortfall is unacceptably high, and has led to stresses and strains on service men and women and their families.

The Government are determined to correct the problem, but it cannot be done overnight. We have already taken key steps to improve recruitment and to increase capacity at Army training facilities. As a direct result, over 1,800 more troops are under training than in May 1997, an increase of more than 16 per cent. That improvement will, I know, be welcomed by the House.

More and more people are joining the Army because they believe that it is a first-choice career. As I said in last week's debate on the strategic defence review, we are determined that the Army should be a first-choice career for a much wider group of people in our society. It should be a first-choice career for many more women, black people, Asian people and people from other ethnic groups.

Mr. John Burnett (Torridge and West Devon): For a very short time, I had the great privilege of serving with the Gurkhas. Will the Minister acknowledge the huge debt of honour that we owe both serving and retired Gurkhas?

Will he confirm that the Government will in part repay that debt by paying retired Gurkhas pensions that are fair and reasonable?

Mr. Henderson: I am happy to confirm that my view and the Government's view are the same as the hon. Gentleman's: we owe a great debt to the Gurkhas, who continue to give us support. Their pensions are determined by an arrangement with the Indian and Nepalese Governments. Pensions are at a level that is commensurate with what is appropriate as part of that agreement. I think that he will understand that, and recognise that that has to be the case.

I talk about the Army being a first-choice career for more and more people. I am also saying that we have to get highly trained staff. That is the main challenge. We have introduced specific measures to address the problem of experienced officers and soldiers leaving early. In key trades, financial retention incentives have been introduced. In other areas, cash bounties are paid to soldiers who re-enlist at the end of their service.

The strategic defence review gave the highest emphasis to investors in people. We must provide better training and education for our personnel, and I am considering how to extend our national vocational qualifications programme to all our people. I am proud that our personnel already obtain many more awards than people in any comparable organisation in the United Kingdom.

I am examining how we can modify education schemes and education support for those in higher education who may be persuaded to join the Army, and for those who are already committed to the Army but who need further support. We are confident that higher recruiting, together with a range of initiatives to improve retention, will help us to achieve our aim of full staffing in the Army by around 2004.

The strategic defence review set out a new vision for the armed forces. The Army has a crucial role in that vision, which is about looking at the world we will face in future, and being ready to play our part in upholding law and democracy. The vision is about having the right equipment to be effective in any war theatre, and about having the right support to back it up.

Above all, however, it is about having the right people—people with a binding and determined ethos, with the right attitudes, the necessary skills and the essential motivation. Those are the things that matter. Those are the qualities that make our Army the best. We should never forget or underrate the commitment of those people on our behalf. They deserve the support of the House, and I hope that they receive it today.

5.11 pm

Mr. Robert Key (Salisbury): It is a pleasure to debate military affairs again so soon after the two-day strategic defence review debate. I record my sincere admiration for the men and women of the British Army, their families and all the scientific and industrial civil servants and administrators who support them. I add my appreciation, too, for the growing number of dedicated contractors and suppliers, the Ministry of Defence police and the Ministry of Defence guard force.

Wherever the Army serves in the world, we are proud of it. It is in the nature of our debates that we focus on the problems of the day, and on exceptions. I do not want Army personnel of any rank to think that we do not appreciate and admire their dedicated and professional role in the defence of the United Kingdom and our way of life. My hon. Friend the Member for Mid-Norfolk (Mr. Simpson) will refer to issues including recruitment when he winds up later. I know that many hon. Members wish to catch your eye, Mr. Deputy Speaker.

I am grateful to the Minister for giving way so often to hon. Members on both sides. If I may say so without sounding patronising, he has learnt his trade remarkably quickly. We are grateful to him. For the avoidance of doubt, and for the sake of readers of *The Spectator*, I should make it clear that this is my speech, and I believe in what I am saying. I am not just reading out someone else's words or ideas.

In order to put the Army into the broadest security context, let me examine the Prime Minister's European defence policy, a policy of some confusion and contradiction. In *The Times* last Wednesday, he advocated a European defence identity based on the European Union. Within minutes of the end of a two-day defence debate in the House, the Prime Minister appeared to have reversed British defence policy without telling the Defence Secretary. The Labour Government have followed the previous Government's policy of basing our defence on NATO and developing a European capability in the Western European Union. The WEU has formal agreements with NATO for the use of United States assets and intelligence and NATO's planning staff.

That was the policy both at the time of Amsterdam and of our debate last week. My hon. Friend the Member for Stratford-on-Avon (Mr. Maples), the shadow Defence Secretary, raised those points last week, and the Secretary of State made it clear that the position had not changed, by saying:

"We have a comprehensive view of the role of the European Union and the Western European Union, and the European security and defence identity of NATO . . . The challenge for the Western European Union is to take on the task that it has been given by the Amsterdam treaty and effectively to use its new powers. The challenge for the European Union is . . . to apply the common foreign and security policy . . . in Europe".—[*Official Report*, 19 October 1998; Vol. 317, c. 974.]

There was no mention of a defence role for the European Union.

Last Tuesday, the Under-Secretary of State for Defence said:

"Britain is playing a key role in developing NATO's new strategic concept—the alliance's own SDR—to give it an equally clear vision into the next century. We are also playing an essential role in developing an effective European security and defence identity in NATO."—[*Official Report*, 20 October 1998; Vol. 317, c. 1176.]

Within minutes, however, the Prime Minister had changed all that, despite what he himself had said last year at Amsterdam when he claimed victory after the Amsterdam summit. He struck out any commitment to a merger between the WEU and the EU. He said that what matters is what works, and what works for Britain and for Europe is NATO. He also said that the Franco-German plan was "like an ill-judged transplant".

Following the Balkan experience and the EU's failure in response to the disintegration of the former Yugoslavia, can we seriously believe that anything can replace NATO in Europe? The Prime Minister went last week to Pörtschach in Austria. There was no official communiqué of the informal gathering, but I have obtained a transcript

[Mr. Robert Key]

of the press conference that the Prime Minister gave on 25 October. He congratulated the Austrian presidency, and said that there were three main issues. First, there was the economic situation. Next, he said:

"Secondly, in respect of common foreign and security, there was a strong willingness, which the UK obviously shares, for Europe to take a stronger foreign policy and security role. This will arise particularly because we will be appointing two people to common foreign and security positions in the European Union in the next few months so it is something that is very much on our minds but we all agreed that it was important that Europe should be able to play a better, more unified part in foreign and security policy decisions and certainly, obviously we discussed specifically Europe closer to the people, ideas for that and subsidiarity, where there was a very strong sense that we have to push on the process that was begun at Amsterdam on subsidiarity and get that implemented. As I say, I thank the Austrians very much indeed for hosting this summit and for organising it so well."

So that is all right. That is completely clear. We know what the Prime Minister achieved at that conference.

When, as at present, geopolitics is dominated by events outside Europe, and when European security is dominated by the crisis in Kosovo, it is probably not surprising that the Prime Minister is not focused on the evolution of European defence. He should be, however. The way he stumbled across the issue last week speaks volumes about the chasm in Labour's defence thinking after a generation of nuclear escapism—I make an honourable exemption for the Under-Secretary of State for Defence.

Few people doubt that what we loosely call Europe can achieve little militarily without NATO and the United States. The Eurocorps, a child of President Mitterrand and Chancellor Kohl in 1994, is paralysed by the military, philosophical and cultural differences between unlikely partners. The Secretary of State went to Portugal with other European defence Ministers in September to take a lead on Kosovo, and he was all in favour of committing ground troops. Planners could have told him that that would have required 200,000 troops, cruise missile strikes and a phased air campaign involving 400 aircraft. It would have taken a month to deliver. What really mattered was that the United States had no intention of getting ground troops involved. Europe is pretty helpless without the United States' input of heavy lift, satellite communications and intelligence.

Miss Anne McIntosh (Vale of York): Has my hon. Friend considered the implications for NATO of the new defence role? We are, admittedly, short of detail on that role, but what would the impact be on American and European partners who are not members of the European Union? Many of them—one in particular—would like to join the EU.

Mr. Key: Indeed I have. I am grateful to my hon. Friend for bringing an important European dimension to the debate. The first and most practical reason why European common defence must stay with NATO is that we need the United States of America. The Prime Minister needs to think about the second reason. The 1948 treaty of Brussels led to the creation of the Western European Union. It contained absolute guarantees of collective defence. It also proposed military, political and economic dimensions among its European members.

The original WEU mandate was hijacked and divided by the emergence of NATO and the European Coal and Steel Community, which later became the European Union. The WEU lost its empire and did not find a role until the Petersburg declaration of 1992, when it abandoned competition with NATO and the EU and focused on a new, high-profile military response to crisis management: evacuations, humanitarian missions, peacekeeping and peace enforcement.

The WEU also established a role in less traditional operations such as blockade and embargo enforcement, minesweeping and police work. That is where my hon. Friend the Member for Vale of York (Miss McIntosh) is so right. The WEU has an inclusive agenda and membership. It can embrace Sweden and Turkey, as well as 10 central European countries, as associate partners, and put them all on its decision-making permanent council. It is outward looking and has no standing or dedicated forces, but it has legal authority to put such forces together, up to and including borrowing a combined joint task force from NATO.

The treaty of Amsterdam gives the EU no direct defence competence. That role falls to the WEU, whose new prominence has been demand-led. Our Government should convince our EU partners that there is no institutional imperative to create a new defence competence in Brussels. Europe faces multifaceted, multi-directional risks and uncertainties. The world is still adjusting to the end of the cold war. When both the EU and NATO are adjusting to expansion, the European chemistry needs time to settle down in its defence and security pool.

Mr. Brazier: Does my hon. Friend agree that some of the loudest voices among our European Union partners in favour of new defence roles for the EU are those in the process of slashing their defence budgets and reducing their armed forces to almost nothing?

Mr. Key: My hon. Friend is right. I shall come to the strength of individual members.

By the end of this year, NATO must agree a new strategic plan, with political consensus at each milestone. We can also expect new regional alliances to emerge. Russian instability, middle eastern uncertainty, Mediterranean tensions and the emerging threats posed by ballistic missile technology and weapons of mass destruction all point to the need for consolidation and stability in European defence and security. By all means let us think the unthinkable, but let us also always remember that NATO was never merely a convenient post-war military alliance for the defence of western Europe. NATO was created in defence of common ideas and interests and of fundamental beliefs in democracy, the rule of law, market economics and free trade. If it ain't bust, don't fix it.

There is another new and worrying development against which the Government must guard. NATO is a partnership, an equal partnership of members. Some are stronger than others, but ultimately we are all as strong as the strongest member. A European defence identity is one thing; a European voting caucus within NATO would be quite another. The United Kingdom should always give pride of place to the north Atlantic aspect of the treaty organisation.

For more than a week, it has been stormy in Wales. The weather has been unusually violent. Life-threatening flooding has caused havoc. It will surprise no one that within hours of the flooding, the civil authorities had called on the military for help. Sandbags were filled and distributed, many stranded people were rescued, and motor and other more ingenious forms transport through the floods were provided. We are grateful to the regular soldiers from Brecon and elsewhere who took part. We are also grateful to the territorials of the 2nd battalion, Royal Regiment of Wales, which did such valiant work in Merthyr vale. It will not surprise the House that the Government propose to close two of the battalion's three TA centres.

It would be comical if it were not so serious to hear Labour Ministers using some of the very words and phrases spoken by Conservative Ministers over the years. It is sad, almost embarrassing, that the Secretary of State seems to believe that he invented defence diplomacy. That term and mission have been with the Ministry of Defence since Sir John Nott introduced it in his 1982 defence White Paper. The former Armed Forces Minister spoke of the need for the Territorial Army to be relevant and usable—the exact words of the then Secretary of State, Malcolm Rifkind in his October 1993 "Framework for the Future" of the reserve forces.

For those with an interest in Britain's volunteer reserves, July 1998 gave birth to a paradox. The Secretary of State's announcement of the outcome of the SDR, including the savage cut in the TA from 59,000 to about 40,000 volunteers, means that the bulk of the TA infantry and yeomanry regiments are set to go, on the apparent grounds that they are dedicated to military defence, such as guarding key points throughout Britain or forming a reconnaissance screen against an invading force.

I was vocal in my objection to the way in which Ministers during the summer used that as a "Dad's Army" analogy. All that will have come as a surprise to the aforesaid infantry and yeomanry, who were told back in 1992 during the first TA restructuring that military home defence was no longer a significant element in their role.

It was also announced in 1992 that all TA infantry and yeomanry regiments would be redesignated as national defence, a new term recognising a changing and uncertain threat that was designed to encompass a wide spectrum of operational scenarios. The possibilities included NATO, United Nations and national operations world wide, as well as military aid to the civil authorities in the United Kingdom and, at the remote end of the scale, military home defence.

Mr. Desmond Swayne (New Forest, West): Given that 10 per cent. of our strength in Bosnia has been territorials, are the Government suggesting that the training undertaken by the Territorial Army over the past few years has been irrelevant and unuseful?

Mr. Key: I am not convinced that the Government yet know what they are proposing. I am enormously relieved to hear that the Minister has received no proposals and made no decisions yet. I want him to listen to our case. My hon. Friend is right to make his point.

Mr. Robathan: In talking about things irrelevant and useless, will my hon. Friend comment on the many interventions from perhaps naive Labour Members who say that they must fight for the 3rd Loamshires or whatever? Do they not realise that their Government are about to scrap all the infantry and yeomanry regiments and lump them into the 1st Midland Corps or whatever it might be called? Is not what Labour Members say therefore complete humbug?

Mr. Key: Perish the thought. It is right that all hon. Members should fight their corners, but Ministers must listen. I fear that down at Land Command in Wilton in my constituency, the military chiefs are having a terrible time knowing that the Minister is about to cave in to his Back Benchers with their individual interests. In the end, Land Command will have to fish around to make more savings to achieve what I might call the non-cuts that will become a political imperative by then. It may not be not humbug but realism; in the end, it will be the Army that pays.

Mrs. Theresa May (Maidenhead): Does my hon. Friend agree that there will be considerable surprise outside the House at the Minister's repeated attempts to put aside concerns about the future of the Territorial Army by saying that no decisions have been taken? Setting aside geographical issues such as Berkshire's loss of a link with a TA infantry battalion, what causes most concern outside the House is the one decision that the Government have taken—the cut in the TA. That is what recently led the royal borough of Windsor and Maidenhead unanimously to express its regret at the loss of the TA's contribution to national defence, and at the loss of the important core skills that the public-spirited young volunteers who join the TA gain from their experience.

Mr. Key: My hon. Friend is right. She has spoken valiantly for her local TA. If there is any humbug, it is that of Ministers who have pretended for a year that the SDR had nothing to do with the Treasury. We all knew that in the end, the Treasury held the purse strings in every sense.

In case no one had got the message, the principle of wider employment was reinforced in the 1994 restructuring. All units were reorganised to create a general purpose structure designed to give them flexibility of employment across the spectrum of military operations. Any remaining vestige of a link between cold-war scenarios and the role or organisation of the TA had disappeared by 1994, not 1 May 1997. The final step in the creation of a relevant and useable TA came with the passage through the House of the Reserve Forces Act 1996.

Just one week after the SDR was announced in July, 1,400 reservists from the three services and a vast array of unit and specialist equipment gathered on the Minley training area for the reserve forces experience. Ironically, the 74 units and 400 vehicles that comprised the experience were intended to show how the reserves have adapted to post-cold war circumstances.

The peace experience at Minley was designed to illustrate the wide utility of our volunteer reserves in a range of so-called peace operations. Visitors were reminded that the reserve components of the armed forces have contributed substantially to Britain's defence commitments during and since the Gulf war, as my hon. Friend the Member for New Forest, West (Mr. Swayne)

[Mr. Key]

reminded us. The TA has met 10 per cent. of our total commitment in Bosnia from the outset. A total of 5 per cent. of the Royal Naval Reserve is always in service with Royal Navy units. Personnel from the Royal Auxiliary Air Force and the Royal Air Force Reserve have been present in the Persian Gulf continuously since the Gulf war.

It was evident that many of the capabilities on display were unique to the reserves and build on their many civilian skills. Automobile Association patrol men in Royal Military Police uniforms and British Telecom engineers with the Royal Signals provided two good examples. It was a huge success and I learned much during my visit with the shadow Leader of the House and my hon. Friend the Member for Mid-Norfolk.

That brings us back to the SDR and the future of those at Minley who created such a memorable experience. With the evidence of their adaptability and professionalism there for all to see, many territorials could not understand how anyone could argue that the cold war was over three times within six years to justify further reduction. Many of them could not understand why the total of "around 40,000" should include 3,500 members of the Officer Training Corps and 1,500 non-regular permanent staff. Neither category, however useful, is an integral element of the Army's operational force structure. When the details of the new "revitalised" Territorial Army structure are announced, those affected will seek more convincing explanations for the demise of their units than have been deployed so far.

Is it really just money? The Government have cut the defence budget quite substantially at a time when, in the United States, the defence budget is undergoing a hike of 10 per cent and when the Americans have announced a new use for the National Guard and the reserves. Press reports from Washington point out that

"changes to homeland defense, the stand-up of new reserve teams to combat weapons of mass destruction and the continuance of the reserve component integration within the active force are in the cards for reservists in the next year."

My hon. Friend the Member for Canterbury (Mr. Brazier) has spoken about that eloquently already.

Charles L. Cragin, acting Assistant Secretary of Defence for reserve affairs, said that

"reservists continue to re-serve around the world . . . The reserve components have a completely new role in homeland defense . . . the definition of homeland defense continues to evolve."

Cragin also said that

"Homeland defense has been under discussion for some time, because we don't really know what it constitutes in this day of asymmetrical threats . . . We know for certain that it includes responding to weapons of mass destruction . . . We know that it includes information operations and counter-intelligence operations for information warfare. It includes the air defense of the United States. We don't know how much further it goes as it relates to National Guard and Reserve involvement."

Defence Secretary William Cohen's initiatives in the area of weapons of mass destruction have raised the whole homeland defence issue. The congressionally chartered National Defence Panel agreed with him when it recommended that the reserve component play a seminal role in homeland defence. I hope that we will see similar thinking here and we look forward to hearing more about that.

In 1928 the British general staff were told that the Cabinet had decided that there would be no war for 10 years and that there was no direct threat to the United Kingdom. So the Territorial Army had no useful role overseas and no role in assisting the civil powers—it was finished. That was on the advice of experienced soldiers who had been through the first world war. They were so wrong. How can their modern equivalents be so sure today, especially with the right hon. Member for Livingston (Mr. Cook) as Foreign Secretary?

I agree with the hon. Member for Walsall, South (Mr. George) who told us last week that the TA is our insurance against the unexpected. In the Gulf war we were almost down to our last platoon of infantry regulars. If the war had gone on another few weeks, there would have been no regulars to perform guard duty or to secure lines of communication. I believe that we should take the long view and not seek to rewrite history.

Mr. Brazier: I am so grateful to my hon. Friend for giving way again. My hon. Friend talked about the Americans. Is it not extraordinary that, perhaps for the first time since the House first met many hundreds of years ago, we have a Government saying that home defence does not matter at all when a country as powerful as America is saying that it is of critical and increasing importance?

Mr. Key: My hon. Friend makes a powerful point and I must fall back on the Minister's argument, which is that he has not yet decided. I hope that the Minister will listen to my hon. Friend and to other hon. Members on both sides of the Chamber.

I shall deal now with Army training. It was Field Marshall Rommel who said:

"The best form of welfare for troops is training, as well-trained troops result in fewer widows."

In March 1997, Lieutenant General Sir Huw Pike, then deputy commander-in-chief, produced the report, "Striking a Balance 97". It deals with the management of the major Army training areas. He stressed the importance of each Army field training centre achieving its effective manageable capacity. He said that planning and management systems must take into account a huge range of factors such as the size and shape of the training area, which must be appropriate for exercises, the nature of the ground, the geology and the geomorphology. For example, one can put tanks on Salisbury plain but they sink at Otterburn. He talked about the importance of seasonal factors such as wet and dry weather, farming practices, interface with local communities, archaeology, which is very difficult on Salisbury plain, and conservation, which was a huge success for the Army on Porton Down. He mentioned the quality of public access, the risks of public access on military land and the recreational use of military training areas dealing with everything from 4x4s to falconry. An issue of particular importance to local residents is the management of noise from artillery fire. I do not know whether that is an art or a science, but the military have made huge strides in that in my constituency.

There is also virtual reality training. In June this year the world's largest battlefield simulator project was unveiled at the combined arms tactical training facility at Warminster in Wiltshire. The project cost about

£180 million and will be completed by 2000. More than 400 troops at a time will fight virtual battles across a computer-generated landscape, using simulators built to look like the interiors of Challengers, Warriors and Scimitars. The simulators have been designed by Lockheed Martin and can be linked by satellite to other facilities in Germany and Texas so that British and US troops can collaborate in exercises against, for example, a computer-generated motorised rifle regiment.

The United Kingdom version is the largest, covering an area the size of two football pitches. According to managers of the combined arms tactical training centre, the aim of the project is not to replace live exercises but to complement them. Virtual reality exercises help units gain advanced knowledge of their equipment, tactics and different types of terrain and scenarios. It is a great facility.

What about live training? I shall quote liberally from the document "Striking a Balance 97", which I mentioned earlier. The deficit in training land is about 39,000 hectares. Salisbury plain training area is only 33,000 hectares. That is a deficit of about 21 per cent. of the Army's total requirements. The document states:

"These findings confirm the conclusions of successive HQ Land Command mid and end-year reports that there is a shortfall of training land which is adversely affecting operational readiness and military capability. They demonstrate that the widespread perception that the Army is over-provided with training land is not correct."

It points out that training land has come under growing pressure and that many units are finding it increasingly difficult to gain access to major training areas. That will become more of a problem once the full effects of the draw-down from Germany are felt on the training estate and the training needs of the joint rapid deployment force and the Allied Command Europe rapid reaction corps have been quantified.

Brigade headquarters have problems with all this. The development of existing facilities at Otterburn for the AS90 and multiple launch rocket system training is essential to help remedy the shortfalls in field firing training land. The enhanced use of Kirkcudbright, which has 1,800 hectares for infantry training, is essential. The report states that existing training areas need to be expanded.

All that demonstrates that there is a theoretical shortfall of about 83,000 hectares of training land in the United Kingdom. The effective shortfall is 39,000 hectares—a significant deficiency. We desperately need more training land.

On 26 June, I asked the House of Commons Library to find out what progress had been made on the Otterburn inquiry into the extension of facilities on the range in Northumberland national park. I was told that the inquiry opened in April 1997. It heard 80 witnesses before ending in October. The inspector then withdrew to write his report. I was informed that the Secretary of State for the Environment, Transport and the Regions has powers to override the inspector's judgment if he so chooses.

On 6 July, in a parliamentary question, I asked the Secretary of State for Defence:

"what assessment he has made of the contribution to the UK national interest of training the army . . . at Otterburn."

The then Minister for the Armed Forces replied:

"I am satisfied that there remains a strong defence need".—[*Official Report*, 6 July 1998; Vol. 315, c. 356.]

Later in the summer, the thing unfolded. We had on 8 July the strategic defence review statement. The Secretary of State for the Environment, Transport and the Regions, we were told, would announce his decision as quickly as possible. Then the trouble started.

On 30 July, the Government office of the north-east informed my hon. Friend the Member for Hexham (Mr. Atkinson) that the inspector had made his report to the Secretary of State. On 14 August, the Association of Rural Communities, which is based in Otterburn, said that it had the support of the majority of local people in saying that it was more than happy for the Ministry of Defence to be there and to continue to train with weaponry capable of maintaining British and global security. It said that Otterburn had been in existence since 1912.

By 5 October, post-inquiry correspondence had been received from the Council for National Parks, the Natural History Society of Northumbria, Northumberland county council, the Ministry of Defence, the Ramblers Association, the Open Spaces Society, the Council for the Protection of Rural England, Northumberland national park authority, the Association of Rural Communities and Ponteland parish council. All those interested parties, lobbies and associations should be listened to carefully, but the final decision is not theirs. It is for Ministers to decide what is in the national interest.

On 21 September the Defence Estate Organisation wrote to the Government office of the north-east. It said:

"it remains the position that it is in the national interest for the developments proposed at Otterburn Training Area to proceed with urgency to ensure the operational readiness of the AS90 and MLRS units. . . . The proposals requiring approval from the public inquiry remain of urgent national importance."

But now, on 5 October, the whole thing appears to be open again.

The Government office of the north-east has written to my hon. Friend the Member for Hexham saying:

"The new issues raised relate to the potential impact arising from the recent Strategic Defence Review."

It then listed the reasons. I must tell Ministers that, although the use of electronic training simulators and laser-guided weapons technology is welcome, there is no substitute for live firing exercises. Withdrawal of the Army from Germany has put severe pressure on our training land. The indecision over Otterburn is now compromising the Army's ability to train in two of its main weapons—the AS90 gun and the multi-launch rocket system.

To reopen the Otterburn inquiry on the grounds that the SDR has introduced new policies would set a dangerous precedent. Training is training, and if the Army cannot train it is stuffed, as one frustrated colonel put it to me last weekend. The Secretary of State must stand up for the Army. The Deputy Prime Minister, who must decide, must recognise the national interest when it stares him in the face.

Mr. Peter Atkinson (Hexham): I am grateful to my hon. Friend for underlining the problems that we face with the development of the Otterburn training range. May I underline what he says by saying that unless we have approval by December, the ability to train troops on the

[Mr. Peter Atkinson]

AS90 will be seriously prejudiced for many months ahead? The livelihood of many of my constituents who work for the Army will also be prejudiced.

Mr. Key: I am grateful to my hon. Friend. He knows the situation better than most, and he has been assiduous in representing the interests of his constituents. I agree with every word that he says.

Although so many more points could be raised, I should like to finish by remembering for a moment at this time, when so many of us are wearing red poppies, the work of the Royal British Legion. There are 6 million ex-service men in this country. There are 9 million widows, wives and dependants. Last year, some 300,000 former service men and women called upon the Royal British Legion for services—everything from hospital visits to the Royal British Legion training centre at Tidworth, which I visited a little while ago. In the next few weeks, some 300,000 voluntary collectors and organisers will be out collecting money for the poppy appeal. That is extremely important not only for the past but for the present and for the future.

I am indebted to my hon. Friend the Member for Canterbury for reminding me of a story that I have no reason to believe is untrue. Many of us will be attending our remembrance day parades and services in a few days' time. One Member of Parliament attended his usual service and parade with the Royal British Legion and listened to the sermon. There was no mention of world war one or world war two. So the Member of Parliament said to the vicar afterwards that he was surprised at this. The vicar said, "Well, you know, it was a very long time ago. It was long before even I was born so I try to make it all a bit more relevant." The Member of Parliament replied, "So you'll be having some trouble with Christmas then!"

We have no trouble at all in honouring the memory of those who made the ultimate sacrifice. We salute the courage of the finest professional army in the world, the finest volunteer reservists and the thousands of young men and women who commit themselves to serve our country and follow the flag.

5.45 pm

Mr. Frank Cook (Stockton, North): It is a pleasure to follow the hon. Member for Salisbury (Mr. Key). He and I have shared innumerable sessions on the Defence Committee and engaged in verbal sword play on those occasions. Strangely enough, we always came to a consensus because every member of the Committee, of whatever political complexion, put first and foremost the issues of defence of this country and, indeed, Europe, so I will not follow the hon. Gentleman through all his gymnastics today, but I will make one or two references to what he has said.

I want to pick up some of the points that I made last Tuesday when I was fortunate enough to catch your eye, Mr. Deputy Speaker, but was able to speak for only 10 minutes like so many others on that occasion. One is able to mention points, but not really to explore them in those circumstances. I gave a list of qualifications in order to justify my existence, but I omitted one. I did so deliberately, not knowing that I might have to make reference to it tonight.

I register the fact that I serve on the defence and security committees of both the Organisation for Security and Co-operation in Europe Parliamentary Assembly and the North Atlantic Assembly. Indeed, I am the vice-chairman of the NAA defence and security committee. What I did not tell the House last Tuesday was that I have also been appointed to a joint working group set up to monitor and scrutinise the work of the NATO-Russia permanent joint council. *[Interruption.]* I can only hope that that is not an opinion on my usefulness.

The permanent joint council is a conduit for the rapid resolution of problems between NATO and the Russian Federation. The joint working group is made up of 14 people—seven from the North Atlantic Assembly and seven from the Federal Assembly of the Russian Federation. Of the seven from the NAA, only two are from the United Kingdom. One is the right hon. Member for Wealden (Sir G. Johnson Smith) and the other is myself. The first meeting of the group takes place in Brussels tomorrow, and I am required to meet the Russian half of the working group at Brussels airport first thing in the morning and escort them to Supreme Headquarters Allied Powers Europe, where they are due to meet General Wesley Clarke. I must, therefore, apologise sincerely for not being able to stay for the end of the debate. I shall have to transport myself PDQ to Brussels to prepare myself for that early appointment.

Having explained that point, I do not wish to emphasise it to enhance the regard in which the House may or may not hold me. However, as I make the comments today that I started to make last Tuesday, I want it to be borne in mind that my position with the NAA and the OSCE enables me to mix with, converse with and get into the heads of many senior politicians and defence experts in central and eastern Europe and in the Russian Federation. It also requires me to try to get into the heads of all our NATO allies of a similar grain. It is a great learning process—great in two ways: it is great, but sometimes it grates; nevertheless, one has to cope.

That point brings me to the main cause of my concern. Last week, I had no time to comment on the strategic defence review. The international response to the SDR has been quite remarkable. There is no question that, despite its shortcomings, which are inevitable, it has set a benchmark for other nations, both allied and non-allied. The speed with which it was conducted is quite remarkable, despite what Opposition Members might claim. That speed is one of the reasons why there are shortfalls in some areas. However, I emphasise that that review cannot be the be-all and end-all: the process must be on-going and continuous; it must never end. Internationally, it is acknowledged that we have made a first-class start, but we have to maintain the momentum.

On the issue of reserves, the hon. Member for Salisbury made great play of the situation in the United States and, to be honest, I have to say that he was right to do so. Last week, I made the point that if we set the level of our reserve forces at 40,000, it would mean that we had a reserve level of approximately 35 per cent. of our regular complement—a regular complement which, as the Minister acknowledged, is 5 per cent. below strength and which is being supplemented in Bosnia by a 10 per cent. terrier contribution. Therefore, overstretch might well be becoming—yet again—a problem within the regular forces; and, if we reduce our reserve forces to such an

extent and if we call on them to such an extent, it could well be that overstretch will become a problem in our reserve forces.

On the military side—meaning the Army—the USA, which is one of our major allies, has, in the broadest possible terms, one for one. That means that it has a reserve complement of 100 per cent. of its regular force. The Americans say that they have greater responsibilities than we have, but I wonder whether that is true. They might have more things to worry about, but they have a bigger force with which to act and a strike capability that is stronger and heavier by far. The fact that they hold 100 per cent. in reserve simply means that they want to ensure that they can call on those resources as and when they need them.

The Americans recognise that the resources they need to be able to call on in the new crisis situations facing us at the end of the 20th century and the beginning of the 21st are specialists in the sorts of activities that are currently being undertaken by the 10 per cent. that we have in Bosnia. Those activities have to be undertaken by specialists in water quality, transport, drainage, electricity generation and other services. We are not talking about pushing a jenny to the back of a building in order to do some welding, but about supplying communities with major resources, such as power. Those are the requirements and we should be building up the resources necessary to meet them, not reducing them.

That is one side of the coin—the NATO side. Let us look for a moment at the other side of the coin—the non-NATO allies who engage with us in the OSCE Parliamentary Assembly and who are associate members of NATO's Parliament. The Russians talk to us and tell us their problems. Their units used to rotate around the Soviet Union so that they did not get involved in corruption, but that no longer happens. The result is that units are becoming almost the property of local governors and regional warlords, because it is only those people who can guarantee the soldiers any sort of income. That income is usually provided on the basis of bartering: the regional authorities feed the troops, provided the troops repair transport vehicles, mend roads, or perform other services. A strange symbiosis is building between local chieftains and military units.

When we refer to reserves—to the need for reserves and the need to train them—the Russians do not understand. Most of their regular forces—or their conscripted forces, as I should say—are experienced in mending vehicles, or even in planting and picking potatoes, because those are the regular, day-to-day tasks that they are required to perform in order to feed themselves. When they hear us talking about reserves and ask for more information, they hear that the United States has one for one—100 per cent. reserves for the size of their regular force. When they realise that our reserve forces are not 100 per cent., they pose questions. It is difficult for me explain why our reserve forces are not as well equipped or as large as we would ideally like them to be.

I know that there is a problem of striking a balance between the Treasury requirements and the defence ideal. That is part of the problem. We saw yet again in the veiled menace apparent in the suggestions contained in the document that was leaked last week the possibility that regular officers of senior rank are exerting their influence over ministerial decisions, while the reserve forces are outgunned because they do not have representatives at senior level who are able to hold their corner. I am pleased to hear that the Minister has no definitive proposals and relieved that no decisions have been taken. However, I urge him to ensure the appointment of a senior staff officer to represent the interests of the terriers and the reservists.

When discussing the launchers and the royal trumpshire borderers and the like, the hon. Member for Salisbury said that it will be the Army that pays—but I have to point out that it is all one Army. The regulars and the terriers are no different other than in the nature of their commitment to society. The 10 per cent. who are in Bosnia today can die just as easily, just as quickly and just as horribly as a regular soldier who has been a member of the forces for 12 years.

We are talking about one Army, and we have to ensure that its reserve component is given a strong voice against the Regular Army's top brass. I am not denigrating or criticising the top brass—who have their job to do, like everyone else—but we have to match like with like. If Tyson can get into the ring only with other heavyweights, the terriers should, like the regulars, have senior staff officers to represent their interests in budgetary debates.

In last Tuesday's debate, I asked the Minister to consider doing for British nuclear test veterans the same as has been done for our Gulf war veterans—to review their medical condition. I realise that only one week has passed since that debate, but I should have hoped to receive some sort of formal acknowledgement that consideration might be given to that request. I shall repeat the request, in case it has slipped the Minister's mind, or perhaps never reached the notebooks of the commissars occupying the Under-Gallery.

I plead for further consideration to be given to the case of nuclear test veterans, who gave sterling service to the Crown and the country. On instruction, they put themselves at risk. They were told to bare themselves—they were virtually naked—and to roll on the ground at ground zero after various explosions. Furthermore, their service records have been bowdlerised. Many of the veterans have discovered that their records contain not a hint that they ever participated in test activities. I believe that those omissions constitute a case of deliberate neglect, and to ignore their pleas for further consideration would be quite unjustified.

Dr. Norman A. Godman (Greenock and Inverclyde): Have not the Australian Federal Government paid to their nuclear test veterans—to the men who were at Maralinga, in South Australia—the type of compensation mentioned by my hon. Friend?

Mr. Cook: My hon. Friend is absolutely right, although I submit that they did not get sufficient compensation—but that is not the point. The Australian Federal Government established that principle some years ago and provided compensation.

Meanwhile, since the Federal Government of Australia came to that agreement with their veterans, our men and women—not only service veterans, but civilians, from NAAFI, for example—have been dying. Very soon, many of them will have disappeared entirely, at which point whichever Government are in power can comfortably rub their hands together and say, "That's that problem solved." However, the problem will not have been solved.

[Mr. Cook]

I also repeat my invitation to the Minister to visit HMS Kellington and its Marines, who are a type of Army—although they might object to that statement. The Kellington has Marine cadets, who are very keen to meet the Minister. I should say also that the chairman of the sea cadets has received a letter from the Ministry of Defence, offering to sell the Kellington for £12,000. The sea cadets have offered £5,000 for it.

My advice to the chairman is that he should not entertain accepting the offer from the Ministry, which is certainly not in need of a £12,000 handout that could be raised only by the cadets' regular charitable works. The cadets should not offer a penny for the Kellington, but should withdraw their £5,000 offer. The fact is that it would cost the Ministry about a quarter of a million pounds to scrap the Kellington. I have also already mentioned to the local authority that I should expect it to refuse any planning permission for the Kellington's quayside demolition. I repeat my invitation to the Minister to visit HMS Kellington, where he will receive a very warm reception. I make that invitation most hospitably—we shall not require anyone to walk the plank.

The strategic defence review is a good start. However, we have a long way to go on the review, and it has to be repeated year after year, as each new commitment is made.

6.4 pm

Mr. Mike Hancock (Portsmouth, South): Like many other hon. Members, I welcome the opportunity to have this debate—the first in almost two years—on the future of the Army. I welcome also the commitment made by the Minister that a debate on the Army, and on the other two branches of the armed forces, will be a regular feature in the House. I accept in principle his point on how such debates could be diversified, to address many of the issues that we face.

I am also delighted that the Minister has remained in the Chamber for the debate. In last Tuesday's debate, he had to leave when I started my speech. I am glad that the start of my speech today has not persuaded him that it is time to find something else to do. I put that down to "gapping"—to use the Ministry's phrase—among the ministerial team at the Ministry of Defence.

I was, nevertheless, disappointed that the Minister did not allow me to intervene in his speech on the three occasions that I attempted to do so. However, I shall offer him the opportunity to intervene in my speech to deal with the three points that I shall make, and would have made earlier in my three attempted interventions.

I should be interested to know, first, whether the Minister could tell the House what future Ministers envision for the Territorial Army. He stood back and said, "No proposals have been made to us", but I should be very interested to know what he would like to happen.

The hon. Member for Stockton, North (Mr. Cook) made the point that the TA does not have great clout within the Ministry. I think that he and other hon. Members are expecting the TA to gain some clout from the efforts in the House of hon. Members who have made representations on behalf of either individual units or the huge swathe of the United Kingdom—from the highlands of Scotland right down to the border—that could be bereft of TA units. It would be very interesting if the Minister came clean and told us what the ministerial team is hoping to achieve. If he does take on board all the special pleading, the policy that we saw exposed in all the documents that were leaked last week will be in tatters, and there will have to be a complete rethink of the matter. I am quite prepared to give him an opportunity to deal with that point.

The second point that really does require clarification by the Minister is on his statement on Challenger 2 tanks. If it is true that an order for transportation for those tanks—to wherever they will be needed in the United Kingdom or elsewhere in Europe—has not yet been placed, that the Army currently has no transport for those heavier tanks and that the Minister, as he told the hon. Member for Salisbury (Mr. Key), who raised the point, has been assured that there are plans to deal with such transport, the House is entitled to know what those plans entail. We should be told how we shall transport a tank that is too heavy to be carried on any existing transport and that is, today, ready for delivery to the British Army.

My third intervention would have been on the point raised by my hon. Friend the Member for Torridge and West Devon (Mr. Burnett) on the Gurkhas, specifically on the Gurkhas' pensions. I did not take great heart from the Minister's comment that the pensions were based on an agreement with the Nepalese Government. Many Gurkhas, both serving and retired, find it very hard to exist on their pension when they return to Nepal. I should have thought that we owe the Gurkhas just a little more, not only for their continuing service, but for the tremendous service that they have given in the past. We should do a bit more justice to their claim for an upgraded pension.

I request also that Defence Ministers put a little pressure on Home Office Ministers to consider more sympathetically the cases of retired Gurkhas who, on retirement, want to continue working in the United Kingdom. Although there are very few such people, I am currently dealing with the cases of six of them who are now employed as laundrymen by the Royal Navy. They are seeking to be re-employed, but are being told that, because they have no residential status here, they will first have to return to Nepal before re-applying to return to the United Kingdom. Once again, that is an absurd way in which to treat people who have given decades of loyal service to this country and who continue to do so. I hope that the Minister will deal with those three specific points.

Mr. Swayne: I congratulate the hon. Gentleman on the pertinent interventions that he would have made, but I should like to take him back to the first and ask him to comment on the difficulties facing serving officers, of whom I am one. We know the plans that Land Command has for us to implement the Government's proposals. Distasteful as they are, we are keen to get on with them in the interests of maintaining morale and efficiency. However, we now stand to have progress delayed and unpicked by a series of Back-Bench special pleadings.

Mr. Hancock: The hon. Gentleman's intervention is pertinent, but it is optimistic to believe that the unpicking is going to take place to the extent that hon. Members hope. It is obvious that the special pleading that we heard last week and today is of such magnitude that there will

be no reduction in the TA. As other hon. Members said, if, at the end of the day, the reduction does not come from the TA, the whole strategic defence review will have to be rethought because the Government will have to find the hundreds of millions of pounds that they were hoping to save over the next five years. I suggest that the mess does not end with the TA, but surrounds the whole process on which we have been embarked for the past year.

Like other hon. Members, I pay tribute to serving Army personnel—men and women—and to the civilian workers who support them. Having been privileged since my return to Parliament, and in my previous existence as a Member of Parliament, to have seen our armed forces in operation all over the world—in Bosnia, Germany, Northern Ireland, Cyprus and the Falklands—I am proud to say that I enjoyed the time spent with those service units and have been mightily impressed by their attitude and dedication. The Minister was right to say that they have the right ethos and spirit for the job that they are doing.

The biggest issue facing the Army is undoubtedly that of undermanning and overstretch. The Minister was right to begin to tackle those problems in his presentation today. The Secretary of State has given a clear commitment to eradicate undermanning and to tackle overstretch. I am sure that every hon. Member and everyone in the Army and the armed forces in general welcomes that.

A glimpse of the scale of the crisis was revealed in the previous Parliament when the hon. Member for East Lothian (Mr. Home Robertson) told the House of his experience, which I read in *Hansard* with great interest, when he visited serving soldiers in Northern Ireland. They were working 98 hours a week; they were away from their unit for 51 per cent. of the time; and they had very short gaps between tours of duty.

My hon. and learned Friend the Member for North-East Fife (Mr. Campbell) was told in parliamentary answers of the deficits in some of the units of the Army. The Royal Armoured Corps is 5 per cent. under strength, the Royal Artillery Corps is 7 per cent. down, the infantry is 9 per cent. down on average and the Royal Corps of Signals is 10 per cent. down. There is even a shortage of chaplains—the Royal Army Chaplains Department is something like 6 per cent. short—although the staff officers are 3 per cent. over strength.

The Select Committee on Defence has rightly examined the problem and, in its comprehensive report, confirmed that it is significant. It admitted that it had had great difficulty in getting hold of accurate information. How can it be right that the Committee set up by the House to examine defence-related issues has difficulty in getting at the truth of undermanning and overstretch in the Army? I shall quote the report so that the Minister can take the problem on board again. It states:

"Precise and up-to-date information about the extent of overstretch is hard to come by; detailed parliamentary questions on the subject often meet with the response that information is not held centrally and could only be obtained at disproportionate cost."

How can the Minister tell us that there is a problem of overstretch if the figures are not available? As the Select Committee on Defence cannot get accurate information, I should be grateful if the Minister who winds up the debate could expand on the problem of overstretch.

Mr. Crispin Blunt (Reigate): Perhaps I can give the hon. Gentleman an example of overstretch. My regiment, the Light Dragoons, has been in Bosnia and will be supporting its 11th squadron tour in Bosnia by June next year. Of an establishment of 398, most of whom are not married, 82 will have had their marriages dissolved over the past four years. That is an example of overstretch, and in a regiment that has been fully recruited.

Mr. Hancock: I have every sympathy with that intervention. I am sure that any hon. Member who has had any contact with any element of our armed forces will know that what the hon. Gentleman says is true not only of that unit, but of many others throughout the armed forces. It was a shame that no Minister mentioned that problem last week or today.

There is an understandable worry about whether the SDR's formation readiness cycle will prove effective in reducing overstretch. The Select Committee on Defence believes that

"the proposed new cycle is at present only a paper exercise—sustaining it in practice will be a formidable challenge".

Can we be sure that the additional obligations will not disrupt that cycle? What about the tours in Northern Ireland? What will happen to the way in which men and women are trained for exercises and work in Northern Ireland? Will not there be added pressures coming from the foreign service-led initiatives about which we have been told? Quite often, emergency deployments are for battalions, not brigades. Will not the battalion that is deployed end up suffering as it does now?

We need to be able to measure the extent of the problem, which is the reason that we need to know the truth of the problem. I ask Ministers to tell us how they are going to assess overstretch, to measure the number of hours our armed forces are working and to record the length of tours of duty and the pitiful gap between tours. Without a proper assessment of the present situation, the House, our armed forces and the nation will not be able to judge the success or otherwise of the steps that the Secretary of State is now telling us he will take following the SDR. If we cannot measure, we cannot possibly be expected to judge. Surely the Minister will have to tell us a little more today about the current situation.

Of course, our Conservative colleagues have played no little part in creating the problems of overstretch. They presided over a one third reduction in our armed forces and over a cut of literally tens of billions of pounds in the defence budget.

Mr. Key: What would you have done?

Mr. Hancock: I was not in government; you were. You made the decisions, and you can hardly criticise the results of some of those decisions—

Mr. Deputy Speaker (Mr. Michael Lord): Order. They are not decisions that I made.

Mr. Hancock: I am sure that they were not, Mr. Deputy Speaker. I apologise if I implied that you were personally responsible for any of those atrocious decisions. I place the blame for them firmly where it belongs—on the former Conservative Government.

The Conservative Government gave away hundreds of millions of pounds in redundancy payments while at the same time spending tens of millions of pounds trying to

[Mr. Hancock]

re-recruit people for the armed forces. We must apportion some of the blame and responsibility for overstretch and similar problems squarely on the shoulders of that Government.

I am pleased that the Government have made a commitment to full manning by 2004, but one of the major issues that we must discuss is the way in which we recruit and retain people. Part of the way to deal with the recruitment pressure that the Army is facing is to ensure that the organisation is seen to treat people better.

The equal opportunities situation in our armed forces—in the Army, as in the Navy and the Royal Air Force—is scandalous. As a result of our previous failures to tackle that issue, we have slammed the door in the face of thousands of people who would have wanted to serve, and whose skills the Army desperately needs.

Surely, now that the SDR is considering the whole of the armed forces, it is time that the Government lifted the ban that prevents gay people from serving in our armed forces. This country remains alone in the European Union with such a ban, and reform is long overdue. I hoped that the Government would have had the courage to tackle the issue.

Mr. Cook: The hon. Gentleman may know that I have a son in the forces. I meet him and his colleagues, and although I agree with the point of view that the hon. Gentleman is advancing, I must say that the general view in the forces is very much opposed to such reform. If we take account of self-determination, it might create a very real problem in the ranks if we went down that road. I want to ensure that that is part of the consideration.

Mr. Hancock: I understand the point that the hon. Gentleman has made; I well remember conversations on the subject with members of the Royal Marines when I was in Jordan recently. However, many of the men also expressed sadness when their colleagues—officers and men who had given loyal service to the Royal Marines and other units—were hounded out because their sexuality had been questioned and our rules do not allow them to remain. There are two sides of the issue, but I am sure that, ultimately, it is better for us to institute the reform in the House than be forced into it by European Courts making law that would make it a right for gay people to remain in the forces.

We must also ensure that there are no iron curtains within the British armed forces for anyone—men or women. We must make people feel that they are welcome. This morning, I listened with great interest when, on the radio, I heard a Sikh lieutenant-colonel addressing the problem of being asked to try to recruit more ethnic minorities into the Army. He said that, of 14,000 officers in the British Army, only 140—1 per cent.—were of ethnic origin. That cannot be right in a country that prides itself on being a rich cocktail of a cosmopolitan, understanding community.

We owe it to everyone to do more to ensure that more people from those groups join our armed forces. We must also ensure that we give people proper opportunities when they are in the Army. Two weeks ago, I had an unpleasant conversation—in the sense that it was disappointing—with a young Army captain. He had recently been promoted captain. He had been through Sandhurst and done his time as a junior platoon leader, and now he was being promoted to captain, but his personal priority was to decide on the right time to leave the Army. He had come face to face with the promotional block—the fact that many young men like him, who had joined the Army at 19, hoping for a career well into their 40s, were starting to consider whether they could risk staying on past 30. That cannot be right. We must do more to support our service personnel in all ranks.

I have talked to Royal Marines, so I know how frustrated they are that, at junior non-commissioned officer level, they cannot be promoted. Some have spent between five and 10 years in a junior NCO rank, unable to be promoted because of the logjam. That cannot be right. It saps the morale of those men and, through them, of other members of the unit. It is a great shame to see those highly trained, efficient working individuals turned out of the service because their promotional prospects are up against a logjam. That problem is long-standing. Hon. Members need to ensure that firm action is taken.

We must also treat personnel right when they leave the service. People who have given dedicated service need to know that they will be treated fairly when that service ends. I think of two of my brothers-in-law. One recently left the Royal Navy after 20-odd years; the other left about two years ago, after 30 years' service. Both have found it extremely difficult to adapt to life on the outside. Both felt that what was on offer to them might have sounded good in financial terms, but did not deliver the opportunities in civilian life that they could have hoped for, because they had done specialised work in the services.

We must give families more support. For two years, the family of Private Jeans—a young soldier from Portsmouth who lost his life in Croatia—have tried to obtain justice for their son's tragic death. He was killed by Croatian youths while on a recreational visit to Split, and yet, in my opinion, the Ministry of Defence has not given that family all the help that they should have had to ensure that justice is done. With the help of the local newspaper in Portsmouth, the hon. Member for Gosport (Mr. Viggers) and others who have come to the support of that family, things are starting to move in the right direction, but the Ministry of Defence should have been there from day one, supporting and helping that family in that difficult time.

The hon. Member for Stockton, North spoke about the nuclear test veterans. How right he was. If we are trying to conduct a strategic defence review with the avowed intention of putting people first, we must ensure that we start to honour some of our obligations to the people who went before, and the nuclear test veterans are a classic example.

I am proud to say that, at the cathedral in Portsmouth, we have the permanent memorial to the nuclear test veterans. What a shame it was that the Ministry of Defence would not allow any senior personnel to attend the celebrations when the stone was laid and the chair placed in the cathedral. No senior member of the British armed forces could attend, and no one from the Ministry of Defence visited on that splendid occasion. It was left to local politicians and the Church locally to organise the event, with the National Nuclear Test Veterans. However, the Minister was right to explain the enormous debt that we owe those young men, some of whom were put

through the trauma of being obliged to witness not one, but six or seven nuclear explosions. Moreover, when they have challenged that, they have met a conspiracy of silence.

The Parliamentary Under-Secretary of State for Defence (Mr. John Spellar) *indicated dissent.*

Mr. Hancock: That is true, although the Minister shakes his head. I have asked questions and written letters, and sometimes the Ministry of Defence has denied that the ships were even there, and that those people were part of the crew; and yet in my constituency, there are dozens of those people, who know one another and knew one another at the time, and they cannot all be pretending to be nuclear test veterans. There is a conspiracy against us, and there is a conspiracy not to give them justice.

If there was any semblance of decency in the Ministry of Defence or in government—not only the present Government, but Governments since the 1960s—those men and their families would have received just compensation. How it must have stuck in their throats, and the throats of other service men, last week to read in the newspaper that a woman police officer received compensation of £175,000 because she developed a permanent ear problem while on a surveillance exercise mission. Right though that was, it is pitiful that we treat our service men and women so disgracefully in comparison.

The nuclear test veterans are not the only veterans. The Gulf war veterans still struggle, as do our civilians who went to the Gulf. I have lost count of the times that I have raised with the Ministry of Defence the issue of civilians who went to the Gulf, trying to get them the same rights. We must ensure that people are given the support that they need.

Ex-service personnel deserve more recognition than the Government's proposed veterans section will offer. It will not do much more than the Royal British Legion does now. It needs to have more clout and to be assured that the Ministry will listen to what it says. I do not want a repeat of what has happened in the past.

For all the advances in technology—even the development of remote-controlled aeroplanes and tanks and virtual reality training, which we have heard about today—the Army still relies on people, as the Minister rightly recognised last week. The Army is nothing without the people who serve it. I hope that the Government will take the current opportunities to change the way in which we value Army personnel. We should not have to wait for an armed forces Bill in 2000. The Minister should act on equal opportunities now to make sure that everyone has an opportunity to serve.

We need answers to questions about the Territorial Army units. We do not want a garage sale of TA assets. There is already speculation that the TA's prime city centre site in Portsmouth will be sold for redevelopment. The unit is still meeting there and there are still advertisements on the tube asking people to join the TA. We should put a caveat underneath, saying that it comes with a health risk, because anyone who joins may not be in the TA for long.

We need clear targets and clear knowledge of what the Government expect of the British Army. We need measures on overstretch now. We should never again have to hear of British soldiers working a 98-hour week in peace time. We should treat our ex-service personnel with more respect. If we do not do that, debates such as today's will be repeated year after year. The SDR gave us the opportunity to do a lot more for the men and women who serve the armed forces of this country and the civilians who back them. I had hoped that the Government would have taken the opportunity gladly and delivered more commitment to them than we have seen so far.

6.31 pm

Mr. Jeff Ennis (Barnsley, East and Mexborough): I am delighted to be able to participate in this evening's debate on the Army. I was not called to speak in last week's debate on the strategic defence review, so I should like to take this opportunity to congratulate the Government on the SDR. It has been well received by our armed forces and our allies, as well as by the defence industry in general.

However, I should like to confine most of my comments to one proposal being considered as part of the SDR, which relates specifically to the Army and was raised in last week's debate by my hon. Friends the Members for City of York (Mr. Bayley) and for Stockton, North (Mr. Cook)—the proposal to combine the Land Command second division, which currently has its headquarters in York, with its Scottish division, which has its headquarters in Edinburgh, to create a new Land Command division with troops in both Scotland and the north of England.

Last week, the Minister for the Armed Forces told the House that he will shortly be deciding whether the merger should go ahead and whether the intended headquarters should be in York or Edinburgh. As a Member for a South Yorkshire constituency, I believe that there are many compelling reasons for the decision—if the choice has to be made—to come down in favour of York.

Dr. Godman: May I point out briefly to my hon. Friend that many of us in Scotland believe that there are compelling reasons why the headquarters should be located in Edinburgh? I am not referring to the Scottish National party's avowed intention of creating a Scottish Army. I am saying that the British Army headquarters in this case should be in Edinburgh.

Mr. Ennis: I am grateful to my hon. Friend for that intervention. I hope that he will explain later in the debate why he thinks that the headquarters should be in Edinburgh.

From a military perspective, 80 per cent. of the regular soldiers in the combined division would be based in the north of England, with only 20 per cent. in Scotland. All hon. Members must be aware that the north of England is the British Army's core recruiting area, supplying 39 per cent. of all recruits, compared with only 12 per cent. coming from Scotland. My two home towns of Barnsley and Doncaster have strong traditions as fertile recruiting grounds for all the armed forces, particularly the Army.

[Mr. Ennis]

The Duke of Wellington's regiment is the only organisation that currently enjoys the honour of the freedom of the borough of Barnsley.

Mr. Blunt: I am sure that the hon. Gentleman does not want to mislead the House. The 13th/18th Royal Hussars and their successors, the Light Dragoons, also enjoy the freedom of Barnsley.

Mr. Ennis: I stand corrected on that point.

The Army must retain a major military headquarters in the north of England, which provides far more of its manpower than any other UK region. That presence will be even more important when the Territorial Army is restructured. There are 11,600 regular soldiers stationed in the north of England, but the region has only one major-general. Scotland has only 2,950 regular soldiers, but has two major-generals. The north of England's only general would be lost if the new division's headquarters were based in Edinburgh.

From an economic perspective, Yorkshire has lost 45 per cent. of its Ministry of Defence civilian staff over the past six years, while Scotland has lost just 23 per cent. Yorkshire has only 3,300 Ministry of Defence civilian staff, while Scotland has 9,500.

Finally, from a political perspective, the previous Minister for the Armed Forces, my right hon. Friend the Member for Hamilton, North and Bellshill (Dr. Reid) received a petition to retain the headquarters in York, signed by 24 lord mayors and mayors from throughout the north of England. That has been supported by written representations from many north of England regimental associations. When my hon. Friend makes his choice, I know that his decision will be based solely on what is best for the defence of the UK, north and south of the border—and rightly so. The ideal solution to the problem would be to establish the new command headquarters in York, but retain a major-general in Edinburgh to command the troops, as well as for other ceremonial purposes. I understand that the Ministry has already agreed a similar arrangement for London, which will retain its major-general even though it does not have enough soldiers to form a division.

I hope that my hon. Friend the Minister will take cognisance of my points, as well as the many other related points that my hon. Friends the Members for City of York and for Stockton, North raised on the issue in last week's debate on the SDR.

6.37 pm

Miss Anne McIntosh (Vale of York): I am grateful to have been called to participate in the debate. It is particularly appropriate for me to follow the hon. Member for Barnsley, East and Mexborough (Mr. Ennis), because I should like to cover some of the same ground.

I pay tribute to the armed forces in my constituency. Those at Dishforth and Topcliffe barracks are particularly relevant to the debate, but I also pay tribute to the volunteers in the Territorial Army and my constituents who work at York barracks in the constituency of the City of York. I should also like to mention the contribution made by RAF Leeming and RAF Linton.

With regard to the proposed closure of York barracks, I should like to make the case for retaining a two-star command headquarters at Imphal in the City of York—the neighbouring constituency to mine. The implications for employment nationally and locally are compelling. At national level, the military staff leaving the barracks will be redeployed elsewhere in the country. The implications for local employment and the local economy are severe. Following relocation of the second division headquarters, civilian employees—the locally based labour force who commute from the Vale of York—will become unemployed, causing serious repercussions. They will probably have difficulty finding non-defence industry employment. Their loss of spending power will damage the local economy, and loss of revenue to shops and businesses in the Vale of York will be very serious.

Although it is true that the Vale of York is primarily a rural constituency, 30 per cent. of the population reside in areas in the city of York such as Haxby, Wigginton, Poppleton, New Earswick, Clifton Moor, Clifton Without and Rawcliffe. Many of my constituents work in York barracks or benefit, through shops and businesses, from the spending power of those who do. The total annual fall in local income in direct, indirect and induced losses in the wider York area following relocation of the second division headquarters is estimated to be £7.2 million at today's prices. It is clearly difficult to calculate exactly what percentage of that income would have been spent in the Vale of York. Of the total of 294 job losses, a substantial number will undoubtedly be lost among constituents in the Vale of York. Although the city of York may be compensated in part by income from alternative uses of the site, such benefit will not accrue in the Vale of York in the long term.

From a defence, operations and capability perspective, I am concerned that the Land Command will be too removed from the area it serves, as the hon. Member for Barnsley, East and Mexborough pointed out. I remind the House that, until quite recently—eight to 10 years ago—the command headquarters was based at Colchester barracks in East Anglia. Moving it again must put into question its effectiveness and hands-on control. If it is to be moved to an even more remote location—we do not yet know where—such effectiveness would be put at even greater risk.

Of further concern to operations and back-up in the Regular Army must be cuts in the Territorial Army, to which other hon. Members have referred. Let us be clear, the cuts have nothing to do with modernisation of the armed forces or improvement of their operability. The changes proposed amount to direct cuts in services that are needed to meet the commitments of front-line Army operations. Hon. Members would appreciate the Minister coming clean on that point.

I should like to pay tribute to the role that the TA plays in the armed forces. The tradition of the Territorial Army is highly and widely regarded in the Vale of York. Many of my constituents have served and continue to serve the local area and the country in the TA, of which we are extremely proud. I seek an assurance from the Minister that the future role of the TA in the Vale of York, North Yorkshire and the country generally will be secured.

I hope that the Minister accepts that cuts to the TA are shortsighted and regrettable. They will reduce adaptability in the face of future threats, especially in dealing with the unexpected. I hope that the Minister, his Department and

the Government will reconsider the level of proposed cuts. Can he really tell the House, hand on his heart, that the proposal for 40,000 volunteer established reserves in the TA is sufficient to meet all future commitments?

Mr. Swayne: There has been considerable talk about overstretch. There is already overstretch in the Territorial Army. The TA is tasked largely with carrying the entire "Keeping the Army in the Public Eye" programme, running the executive stretches and business challenges. Soldiers in the squadron in my constituency are out every weekend. They are already overstretched. How we are to carry that load, with all its implications for recruitment, I cannot understand.

Miss McIntosh: I am most grateful to my hon. Friend for making that point. The problem of undermanning and overstretch is one that we can all understand. Why then target the one sector—the TA and other armed forces reserves—that is capable of meeting any future unpredictable overstretch or undermanning?

Those who live in Vale of York are concerned about the decision to bring the Territorial Auxiliary and Volunteer Reserve Associations boundaries into line with the new regional command structure. Although it might at first sight seem sensible, I wonder how the proposal will operate in practice. According to the Defence Committee's report, merging the north-eastern and Yorkshire TAVRAs will simply not work. The area covered will stretch from Berwick-upon-Tweed to north Lincolnshire. That is simply too large an area in which reasonably to expect the maintenance of a local presence. How, in practice, will an already undermanned and overstretched TA meet its commitments within the new boundaries?

I should like to end on a local note. The Duchess of Kent's military hospital in Catterick, in the constituency of my right hon. Friend the Member for Richmond, Yorks (Mr. Hague), the Leader of the Opposition, has provided years of medical care—primarily to constituents of my right hon. Friend, although some of mine have been treated there, too. Since the hospital will no longer be available to treat civilian patients, they will have to be treated at national health service hospitals. The extra burden placed on those NHS hospitals is calculated by the local hospital trust—this is a conservative estimate—to be £500,000 a year. Do the Minister and his Government consider it appropriate that that shortfall should be met by the defence budget? Could he possibly raise that this week with the Chancellor of the Exchequer, so that the Chancellor may include details of the necessary arrangements in his statement next week?

6.47 pm

Mr. Steve McCabe (Birmingham, Hall Green): I am grateful that, as we approach Remembrance Sunday, we should have this opportunity to reflect on the past achievements of the Army and to think about their future role, so that we can ensure that our security considerations and obligations at home and abroad are adequately catered for in the months and years ahead. This debate gives us an opportunity to remember the very difficult roles that we expect our troops to perform around the globe. They have faced tremendous risks during the troubles in Northern Ireland and made extraordinary efforts in Bosnia in quite appalling conditions. They are stationed in Cyprus and, at this very moment in Belize, 700 troops are preparing to face the wrath of hurricane Mitch. In addition, many others are on attachments and missions around the world.

Our Army has a tremendous and proud history which has earned it respect and admiration around the globe—but times are changing. It is surely clear that, today, we need an Army that is capable of responding to new challenges. That is why we must welcome the concept of jointery, and the better co-ordination of all three services that will result from the strategic defence review. It is why we should support the principle of two combat divisions, and the proposals that the Minister has already described to put our brigades on a cycle of training and high readiness for deployment that will enable them to meet the demands that we make on them.

We need to recognise both how overstretched the Army has become, and the dangers that still exist, while acknowledging the Government's efforts to address them. Conservatives are sometimes tempted to claim a monopoly in patriotism and in support for our forces—but I wonder how a party that left our Army so under-resourced, and under strength to the tune of 5,000 personnel, can hold its head up. With its track record, how on earth does the Conservative party dare accuse any of us of humbug?

I see that the chief accuser, the hon. Member for Blaby (Mr. Robathan), is off causing mischief elsewhere; his was a short contribution to the debate.

Dr. Julian Lewis (New Forest, East): As the hon. Gentleman has made that challenge, and to give him time to get back to his text, may I tell him that it is easy for the Conservative party to hold up its head over its record on defence because, throughout the cold war, when the Labour party and three quarters of its parliamentary representatives wanted us to get rid of our strategic nuclear deterrent in a one-sided way, the Conservative party, alone of the three main parties in the House, stood up for the nuclear deterrent, backed NATO and saw off the threat from the Soviet Union?

Mr. McCabe: I am grateful for that intervention, but I must point out to the hon. Gentleman that what I am interested in is a broad-based British Army under the control of the Government, owing allegiance to the Queen; I am not interested in the military wing of the Conservative party. To be against nuclear destruction does not mean that one lacks patriotism or a concern for defence.

As I said, I welcome our new priorities for conflict—*[Laughter.]* I obviously lost the thread of that part of my text, Mr. Deputy Speaker; I had better start again. I welcome our new priorities for conflict prevention and defence diplomacy, and I am mindful of the comments by the Chief of the Defence Staff, who said that our reform of the military

"gives us a stability that we haven't had before and will be very well received by the Servicemen and Servicewomen who are currently serving".

Change can be painful. I am aware that there is some concern about the proposed reduction in the Airborne Brigade, but surely what we want is a functional Army, not forces that live solely on past achievements. If the last major parachute combat drop was in Suez back in 1956, a good case can be made for restructuring, even where there are long and proud traditions.

[Mr. McCabe]

I acknowledge that there must be changes in the Territorial Army as our priorities shift. I support the idea of improving the deployability and usability of our TA reserves. We also need to find out why 30 per cent. of TA recruits leave within a year of joining, and what can be done to improve that position.

I hope that it is made abundantly clear that our aim is to reform the Territorial Army, and that there is no question of easing it out of existence. *[Interruption.]* I think that the hon. Member for North Wiltshire (Mr. Gray) did not hear me, so I am happy to repeat what I said. I hope that we can make it abundantly clear that our aim is to reform the TA, not to ease it out of existence.

Mr. Gray *rose—*

Mr. McCabe: I know that the idea attracts criticism, both within the regular Army and from other quarters. One of the problems is that some of the Territorial Army's supporters can at times be more obsessed with tradition than with functional use. None the less, it has a valuable role to play. Its efforts in Bosnia have been outstanding, and I know of the rich range of skills that its members possess and the value that they add to so many areas of life, because of my own contacts with the 5th (Warwickshire) battalion of the Royal Regiment of Fusiliers. Now it is my turn to get in a plug for my own Territorial Army outfit, although in fairness I must confess that it is based in the neighbouring constituency of the hon. Member for Solihull (Mr. Taylor).

Mr. Gray: Will the hon. Gentleman give way?

Mr. McCabe: By all means.

Mr. Gray: I am grateful to the hon. Gentleman for repeating his earlier comments, but it was not that I had failed to hear them; it was simply that I could hardly credit my ears. Apparently he believes that a reduction from 59,000 active members of the Territorial Army to what, if we remove the officer training corps, and with the removal of virtually all the infantry and yeomanry, is effectively 37,000, is something other than doing away with that part of the Territorial Army. I am grateful to him for his support of his local regiment—but it will disappear.

Mr. McCabe: I simply repeat the point that I was making, that we must look at the functional use. Tradition is important, but it does not deal with defence.

I should like to see more imaginative use made of the Territorial Army. It could have a clear role in supporting local authorities during emergencies and disasters—*[Interruption.]* With respect, the Army is not engaged solely in defence, vital though that may be.

We should also think about whether the Territorial Army could have a role to play in the new deal, especially with the environmental task force. I wonder whether there is a prospect of considering some kind of voluntary national service, in which young unemployed people could train to acquire new skills to enable them to help both locally and, perhaps, abroad. We must stop thinking about the Territorial Army as it existed in the past.

Mr. Owen Paterson (North Shropshire) *rose—*

Mr. McCabe: No, thank you.

We must stop adhering solely to previous traditions. We have to think about functional use for the future.

As I said earlier, I welcome the Government's reforms, and there are areas in which there may be scope for further reform. I wonder whether, at the end of the cold war, we can really justify continuing to station one quarter of our army on the continent. I have doubts as to the value of that.

It is also important to think about personnel arrangements in the Army. Other hon. Members have said that it is important to equip the Army properly, but it is the quality of the personnel that gives our forces their strength, and we must ensure that the pay and conditions of service reflect their high value and the high esteem in which we hold them. I also hope that we will tackle the issues that other hon. Members have raised about the plight of veterans.

We need to deal with other aspects of life in the Army. I welcome the proposals to increase the number of posts available to women, and to set new targets to boost recruitment for our country's ethnic minorities. I want to see an Army that genuinely reflects British society. That has to mean more women and more members of ethnic minorities at all levels. In particular, as the hon. Member for Portsmouth, South (Mr. Hancock) said, it must mean an end to the situation in which the officer corps is largely confined to white men from a particular class and stratum of society. *[Interruption.]* The hon. Member for Portsmouth, South gave the figures earlier. Hon. Members may choose to say that what I say is not true, but the figures are there.

I would like to see an end to the horrendous bullying and brutality to which some recruits are subjected. All of us must have been appalled at the murder of the young Danish tour guide in Cyprus by British soldiers, and by the occasional loutish and brutish behaviour of British soldiers in Ayia Napa, which is more reminiscent of the behaviour of football hooligans than British Army personnel. Such behaviour disfigures our Army and undermines the wonderful efforts of our soldiers around the globe. Let us make sure that, in future, there is no place for racism, other forms of discrimination, bullying or thuggery in our forces.

As we approach Remembrance Sunday, I want to remember the good things that our forces do, and have done, and the tremendous sacrifices that they have made. I want to look forward to a modern, efficient Army that reflects our society and plays a major peacekeeping and crisis-management role wherever it is needed. Finally, I should like to see a Regular Army that can be supported and reinforced by TA reserves whose effort and commitment are properly recognised. However, it must be a TA that is based on modern requirements. There is no point in nostalgically looking at what used to be.

7 pm

Mr. Nick Hawkins (Surrey Heath): The hon. Member for Birmingham, Hall Green (Mr. McCabe) got so confused reading out his speech that he almost did not appear to have written it. I have recently been with the Army on the armed forces parliamentary scheme with two Labour Members—the hon. Members for Chatham and Aylesford (Mr. Shaw) and for South Ribble (Mr. Borrow)—and my right hon. Friend the Member for North-West Hampshire (Sir G. Young). The purpose of

the scheme is to ensure that those who have had too little contact with the Army in the past spend some time with the Army at the sharp end and understand what the Army is all about. The hon. Member for Hall Green might like to get in touch with the former Member of Parliament Sir Neil Thorne and volunteer to join the scheme next year. He would then understand the staggering ignorance that he has displayed this evening.

Mr. McCabe: First, I would be more than happy to join the scheme, but I am currently busy with the West Midlands police parliamentary liaison scheme, which teaches the same sort of thing. There is a limit on my time, as there is on that of most hon. Members. Secondly, it is dangerous and arrogant of the hon. Gentleman to assume that I know nothing about the Army, or to dare to suggest that my words are not my own.

Mr. Hawkins: I am delighted that the hon. Gentleman wrote his speech, even though he got confused in reading out a lot of it.

There is a memory loss among some Labour Members in relation to the cold war, as my hon. Friend the Member for New Forest, East (Dr. Lewis) made clear in an earlier intervention. Labour Members have suggested repeatedly that the previous Conservative Government were mistaken in making the changes in "Options for Change" and "Front Line First" without apparently understanding that it was absolutely necessary to recast our armed forces in light of the collapse of the Warsaw pact. We are criticising the Government's suggestion in the strategic defence review that huge further cuts are needed, especially in our reserve forces.

I am staggered that Labour Members such as the hon. Member for Hall Green should suggest that there could be scope for even further cuts, and that there is a need to damage further the traditions of the armed forces. It is clear to those of us who have spent time with the forces, who come from services families or who, like me, have sons who are cadets, that morale is crucial to recruitment and retention. I hope that the Minister will concede that when he winds up. The cap badge traditions are vital to morale, and the hon. Gentleman's suggestion that the traditions of the British Army can be carelessly tossed away is staggeringly complacent. I hope that, on reflection, he will realise—as he will if he reads the excellent Defence Committee report in response to the strategic defence review—that his views were sadly misconceived.

I want to refer briefly to some constituency issues. I must apologise to my hon. Friends on the Opposition Front Bench and to the Minister for the fact that a long-standing commitment means that I will not be present to hear the winding up speeches. However, my constituency concerns go much wider than purely parochial matters.

As the Minister understands, anyone who cares about the British Army is concerned about what happens in Camberley. The Minister will be aware that I have referred to the issue a number of times at Defence questions in the past 18 months. It is not acceptable for Ministers to give both oral and written answers in which they tell my constituents that they will be able to announce what will happen to the staff college buildings in Camberley "shortly", but still—after 18 months—not to give an answer.

I hear that there is now a prospect that the joint doctrine centre may go into the staff college buildings. I hope that, at long last, the Minister will be able to confirm whether that is the case. If he is not able to say so tonight, perhaps he or one of his right hon. Friends would confirm that in writing. My constituents are concerned that that important listed building is being allowed to stay empty and unused. It is important that a proper, high-profile military use is found for it.

I want to hear from the Minister about the future of the Defence Evaluation and Research Agency and the disposals that are anticipated in relation to DERA land. Once again, if he cannot deal with that matter tonight, I hope that he will write to me subsequently.

My hon. Friend the Member for New Forest, West (Mr. Swayne)—in a brief intervention during the speech of my hon. Friend the Member for Vale of York (Miss McIntosh)—referred to the crucial role of the Territorial Army in terms of keeping the Army in the public eye. Those of us who have spent time with the armed forces know that everybody in the TA is well aware of the vital role they fulfil in terms of making the public aware of the forces. I realise that the present Labour Cabinet may be the first Cabinet ever not to have a single member with service in the armed forces, but I have no doubt that all Ministers are aware of the TA's vital role in keeping the Army in the public eye. If the TA changes—and if the Government's proposals in the strategic defence review are carried out—it will be much more difficult for it to perform that role.

The Government's proposals suggest that the TA might exist only in our major cities and will not have a national geographical "footprint", as it is called. The suggestion is that it will not be visible in rural and suburban areas, and that is a damaging prospect. I heard on the grapevine that one of the TA units earmarked for possible closure and disposal of its site is in Camberley, and that is extremely worrying for my constituents. I hope that, on reflection—and once all the consultations are in—the Government will decide to reverse their damaging proposals for a severe cut in the TA, as announced in the strategic defence review.

The fitness of the private soldier is also important for recruitment, retention and morale. The couch potato culture that sadly exists among many of our teenagers became evident during our visit to the Army training regiment in Pirbright, next door to my constituency. Much longer training periods are required and the training regiment even has remedial platoons because so many young soldiers cannot attain the relatively modest initial fitness levels. The Minister knows that that has a serious effect on training. The health of recruits is vital. Sadly, there have been a number of tragedies recently during training, which concerns the Minister as it should concern every hon. Member. I hope that we can ensure more fitness training and a gradual improvement in the standard of recruit fitness, which will help to prevent such tragedies.

The Minister will want to work closely with colleagues in the Department of Culture, Media and Sport, but they made a catastrophic error when they allowed their colleagues in the Department for Education and Employment to remove sport from the core national curriculum. Only with sport in the core curriculum, as it was under the previous Government, can we ensure that

[Mr. Hawkins]

tomorrow's recruits are of the required fitness standard, which is vital if we are to develop the sort of young soldiers that we need for the future.

Finally, I hope that what was undoubtedly a Treasury-led, rather than a foreign policy-led, strategic defence review, with many of the deals that were struck behind closed doors based on flogging off Territorial Army centres, will be reconsidered. I hope that we will have an opportunity to build the sort of Army that we need for the 21st century, not the sort that is based on cuts to do a deal with the Treasury.

7.11 pm

Mr. Andrew Reed (Loughborough): I am grateful for the opportunity to follow the hon. Member for Surrey Heath (Mr. Hawkins). Obviously, the parliamentary scheme has taught him to make a tactical withdrawal at the first sign of fire, as he moved from Blackpool, South to the relative safety of Surrey before May 1997.

I have much in common with the hon. Gentleman and would like to add to his comments about fitness levels. As he knows, we share many views on the importance of sport to our nation, in particular for young people. I am delighted that, as from 1 October, we have ended—hopefully—the sale of school playing fields. We lost so many under the Conservative Government and that contributed greatly to the present level of unfitness.

I am relieved that my hon. Friends the Members for Barnsley, East and Mexborough (Mr. Ennis) and for Greenock and Inverclyde (Dr. Godman) have withdrawn. They gave us Edinburgh versus York and, as the hon. Member for Barnsley, East and Mexborough, is rather large and was sitting next to me, he convinced me that York is a sensible place for the relocation when it happens.

I have no direct experience of the armed forces, although there is a Territorial Army base in my constituency and I was a member of the local authority there when large cuts were made in Leicestershire and the Charnwood borough under the previous Administration. We lost an airfield, a military base in Melton, the pay office in Wigston and a signals base in Charnwood. Cuts are not new and our armed forces have always been the subject of redistribution and change.

I have no family history in the armed forces, although my grandfather served in the first world war, but I am pleased to take part in this debate. Usually there is much cross-party consensus in such debates and it was a shame that some of that was destroyed today by the contribution of the hon. Member for Surrey Heath. People often see us shouting across the Chamber at each other and it is important that on occasions like this we can have a sensible and rational debate about the future of our armed forces.

The Minister will be pleased to know that I am not here to lobby on behalf of the TA base in my constituency, although I am confident that the newly refurbished base, which cost £1.2 million between 18 months and two years ago, will be saved. I am confident that one would not want to waste such recently expended public money by closing it down and I understand that there are no proposals to do so.

As with other organisations, the Army is people based and I am glad to say that the language in the strategic defence review reflected that. We have heard much about the people's this and the people's that in the past 18 months and Conservative Members may be a little tired of hearing it, but I want to concentrate on the people-based armed forces that we need. I admit that I do not have great knowledge of the armed forces, but my experience as an outsider—seeing what is going wrong with the recruitment and retention of the next generation—may help a little. Those looking in from the outside recognise the great reputation and tradition of our armed forces. Everyone recognises the need for the cap badge mentality. People in the Army are proud of their traditions and their regimental flags. Their history is part of the tradition of the regiment and it is important that even Labour Members should recognise that.

People throughout the world recognise the tremendous reputation of our armed forces. We often say that our troops are some of the best in the world and perhaps it is true. Despite American bravado—too often evident on the international scene—about American troops being the best, our troops far outstrip them and I think that we can honestly say that they are the best. That is due to the fact that they are highly skilled, motivated and professional. However, we must recognise the importance not merely of front-line troops but of all those in the background, including those in support and logistics and civilians working in the Ministry of Defence.

I want to ensure that we not only demonstrate the sort of career that the armed forces can offer, but concentrate on the way in which the forces have treated people. The hon. Member for Portsmouth, South (Mr. Hancock) mentioned one reason why people may be fearful to join the armed forces—the way in which we have treated our Gulf war veterans and those who suffered because of nuclear tests. Some of my constituents have Gulf War syndrome, or whatever we have decided to call it. I urge the Minister to do everything possible to establish what illnesses are a result of that syndrome. So many questions still need to be answered. I urge him to outline what resources are being committed to the studies. Are they totally and genuinely open to scrutiny? What is the timetable for responses? I hope that it will be some time in the new year.

Our Army is people-based. Competition in the open labour market is considerable. What do the armed forces offer people compared with the other opportunities placed before them at the job centre? What can the Army uniquely offer individuals? We need to listen to the reasons why people are not joining the armed forces. It is not merely a knee-jerk reaction. We must genuinely understand the blocks that prevent the ordinary people whom we need to recruit from joining. There is no quick-fix solution, and nothing that has been said this evening will change that. A long-term commitment must be made. We all understand the figures; we know about overstretch and the idea that members of the armed forces are overworked.

We must ensure that joining the armed forces is a viable option not only for individuals but for their families, particularly in terms of welfare and education. The strategic defence review included initiatives for the coming years, but we need to move quickly. I was pleased by the inclusion of education and the key role given to lifelong learning—we must recognise the importance of

vocational and academic qualifications. When I have spoken to people in the armed forces, I have been impressed by their skills and the level of vocational qualifications that they have attained, which should be marketable in the open labour market when they decide to leave the forces.

I make a plea—I recognise that we may not be able to solve this problem in the short term—for those of my constituents who have left the armed forces with good qualifications and who may be confident in themselves, but who lack the ability to make the transition back into civilian life. We do not want to encourage too many people to leave, but we must recognise that many find the transition difficult. People also fear that they will become trapped in the forces and may not be able to move on. I want the forces to be able to retain people with skills, but we must do something to make the transition out of the forces easier.

Another problem, which I have discovered from talking to constituents who, for one reason or another, have not joined the Army, is the perception of the attitudes that are held in the forces. We have heard this evening about racism and sexism and the question of homosexuals in the forces. I find it frightening that, out of 14,000 officers, only 140 are from our black and Asian communities. In Loughborough, the TA has been reasonably successful in recruiting people from those communities, but it has been a small trickle. About 6,000 or 7,000 people from the ethnic minorities live within a mile or so of the TA base in Loughborough, yet we see only a handful of black and Asian faces in the organisation. We have a long way to go in increasing confidence among members of the ethnic minorities, so that they feel safe in the armed forces.

I should also mention sexism and the way in which we deal with the issue of homosexuals in the armed forces. I was slightly disturbed to hear the argument that, because of homophobia, members of the armed forces do not want homosexuals to join. We should recognise that, throughout history, homosexuals have played an important role in the armed forces but have been forced to keep their sexuality quiet.

Mr. Gray: This touchy-feely stuff is all very well, but does not the hon. Gentleman remember that the soldier's primary job is to close with the Queen's enemies and kill them? The hon. Member for Delyn (Mr. Hanson) may laugh, but that is the soldier's primary role. The best people to recruit to the Army are not necessarily those who reflect society in Britain today but those who will be qualified to close with the enemy and to kill him.

Mr. Reed: I am not sure which people the hon. Gentleman is suggesting are not able to do that job. Many black and Asian people played a vital role fighting for our nation in the second world war, and many homosexual individuals died in that war. I have no truck with his argument—people from those groups can serve happily in the armed forces, and it is plainly wrong to suggest otherwise.

Sexism is still a problem, as, for young individuals, is bullying. Conservative Members may talk about touchy-feely stuff, but it is not Labour Members who go on bonding weekends. Conservative Members spend much more time at weekends touching and feeling one another than we do, perhaps because the Opposition Benches are not sufficiently full—Conservative Members cannot touch and feel one another during the week, so they feel that they have to go away at weekends to do so. The Labour Benches are always so full that the touchy-feely stuff comes day after day—*[Interruption.]* Well, on most occasions.

We must take major strides if the armed forces are to be ready for the 21st century. I agree that that entails our having a killing machine—call it what one will—but other skills are required as, for most of the time, the armed forces are involved in peacekeeping missions around the world. The armed forces must reflect society—if they exist to protect society, they must represent it. It would be dangerous if, in this multicultural Britain, only a thin strata of society fought at the front.

I urge my hon. Friend the Minister to consider all aspects of recruitment and retention, to improve what the job offers and the facilities available for families and the education of children. We must put at the forefront the needs of the armed forces, but we must also ensure that families feel part of the forces. As Members of Parliament, we are only too aware of families being torn apart—it happens to us weekly—but the way in which the armed forces treat the family, which can play an important supportive role, is sometimes wholly wrong.

We must ensure that there is zero tolerance of racism and sexism and that the armed forces are ready to face the challenges of the 21st century. We must be supportive, especially to the cadet movement, which is extremely strong in my constituency, as that will encourage people to be ready and motivated to join the armed forces.

This debate is not only about the TA; the problems are much deeper than some of us want to recognise. The Army is not an attractive option for many young people leaving schools, and the challenges exist for us all, not only for the ministerial team. As has been said, we are advocates for the armed forces in our constituencies, and we must make them an attractive option for future generations.

7.27 pm

Mr. Crispin Blunt (Reigate): It is a pleasure to follow the hon. Member for Loughborough (Mr. Reed), as I want to deal with a number of the issues that he raised, including the ethos of the Army, and the difficulties that arise for it in dealing with women and homosexuals.

First, I should declare an interest. I was a regular soldier for 12 years, and my father was a regular soldier for his whole career, as were both my grandfathers—by background, I am soaked in the Army. I hope that what I say will reflect some instinctive understanding of an institution of which I am immensely proud and which I am desperate to protect—I am anxious that it should not be damaged by any Administration.

Mr. John Smith (Vale of Glamorgan): Should not the hon. Gentleman declare a further interest? He was a special adviser to the Conservative Government who imposed some of the biggest cuts on our armed forces in their entire history.

Mr. Blunt: I hope that the hon. Gentleman has noticed that the cold war came to an end during the Conservatives' time in office. It would be totally indefensible to expect defence expenditure now to be

[Mr. Blunt]

about £33 billion, which is what it would be if it consumed the same proportion of gross domestic product that it did during the cold war.

Mr. Peter Brooke (Cities of London and Westminster): My recollection of that period is that Labour Members barracked us for a peace dividend to be yielded at the earliest opportunity.

Mr. Blunt: My right hon. Friend makes the point with the utmost eloquence.

Let me correct the hon. Member for Vale of Glamorgan (Mr. Smith) further: I began my time as a special adviser to the Ministry of Defence in February 1993, and very shortly after that, we started adding back battalions and regiments of armoured reconnaissance to make up for some of the cuts following "Options for Change", which, at the edges, made judgments that were wrong, especially on infantry numbers and the amount of armoured reconnaissance. I am happy to concede that the strategic defence review has taken the process further, and made further welcome adjustments.

Mr. Hawkins: On the peace dividend from the end of the cold war, does my hon. Friend agree that the main reason for the collapse of the Warsaw pact was the resolve shown by a Conservative Prime Minister, Margaret Thatcher, and United States President Ronald Reagan, and that, had the policies then and for many years advocated by Labour been followed, the Warsaw pact would probably be alive and well today?

Mr. Blunt: I wholly agree.

European defence should have been debated a week ago, when we discussed the strategic defence review. At 4.30 pm last Tuesday, when many hon. Members were debating the review, the Prime Minister was briefing journalists, including Mr. Philip Webster of *The Times*, on a major European Union defence initiative that he intended to float past fellow Heads of Government at Pörtschach.

Yesterday, the Minister of State, Foreign and Commonwealth Office, the hon. Member for Gateshead, East and Washington, West (Ms Quin) told us of Chancellor Schröder's reaction to the proposals, but the House has not heard the proposals themselves. I made that point to the enforcer, the Minister for the Cabinet Office, and asked whether it was a proper co-ordination of policy across Government that the Prime Minister should be briefing journalists on a major defence policy in Europe, with the Defence Ministers then in the House seemingly in ignorance of the proposals. I had a most interesting reply. He told me that the Prime Minister was not briefing Philip Webster.

When I wrote to the Minister for the Cabinet Office to ask him to correct the facts in the House, he replied:

"the Prime Minister was interviewed on the record by UK and European journalists, including Philip Webster . . . The interview covered ideas that might be considered with EU partners with a view to more effective defence co-operation. But, as I reflected in my reply, there was no question, as you alleged, of the Prime Minister briefing either Philip Webster or other journalists on a 'major revision to defence policy'."

There we have the answer. When is a briefing not a briefing? When it is an interview on the record. It remains a disgrace that no Minister has made a statement in the House about the proposals.

Dr. Jenny Tonge (Richmond Park): It was indeed discourteous of the Prime Minister to have talked about a European dimension for defence while we were debating the review in the House. It has long been Liberal Democrat policy that there should be a European dimension to our defence. The hon. Member for Reigate (Mr. Blunt) made a lot of comments about how the Government are dealing with the issue, but how do the Tories want to deal with it? Are they interested in a European dimension or not?

Mr. Blunt: Those points would be better put to my hon. Friend the Member for Mid-Norfolk (Mr. Simpson), who speaks for the party, but I am grateful for the hon. Lady's support, and I hope that she will sign my early-day motion condemning the Prime Minister's actions, as the hon. Member for Somerton and Frome (Mr. Heath) has already done. I do not have time to answer her question.

Mr. Brooke: Does my hon. Friend recall that, in the early 1950s, the decision by Sir Anthony Eden to commit four divisions to the British Army on the Rhine was taken specifically in support of a European defence agreement that then failed to get through the French Assembly?

Mr. Blunt: Indeed. Conservative Administrations since the second world war have a proud record of supporting European defence since 1949 through the institution of NATO. As the Minister will no doubt remind us, the late Ernest Bevin's greatest achievement was helping to found the North Atlantic Treaty Organisation.

I thoroughly welcome the fact that the Government put people at the centre of the strategic defence review. The supporting essay on people quotes a member of the armed forces, I imagine, who said:

"If we don't look at personnel issues then the SDR will fail."

I wholly agree with Defence Ministers, and with the lady or gentleman who said that. I welcome this evening's news about recruiting figures, but that is the easiest part of putting overstretch right, because one can put a great deal of money into advertising campaigns and building up the recruiting structure. Retention, however, is equally, if not more, important.

The Army is the service most affected by undermanning, and the review must address the problem. I am afraid that the people measures set out in the review to try to improve retention are, frankly, pretty small beer. The review recognises the importance of the challenge. It says:

"They also understand that personnel policy alone cannot resolve the imbalances between wider Defence Policy, commitments and resources . . . If some of the proposals in our Policy for People seem modest it is only because we have promised what we can deliver. Addressing the personnel problems that affect the Armed Forces will take time, trust, and money."

That is the glaring contradiction running through the review: there is not enough money to deliver the policies for people that will enable it to be a success.

The section on service personnel goes on to say:

"To provide a framework for addressing the problems we have identified, we need a comprehensive personnel strategy to take the Armed Forces into the next century. It must: incorporate all that is best in current practice . . . especially the ethos and values needed to support operational capability".

On the specifics of what is to be done to help retention in the Army, the review says:

"We also aim to improve retention with a range of new measures including: enhancements to operational welfare"—

which I think means more telephone calls home—

"introduction of a common leave entitlement and a programme to improve standards of single living accommodation."

On further inspection, it turns out that that programme involves no new money, and was under way before the review took place.

If there is no reduction in the commitment for the armed forces, overstretch and retention problems will get worse, not better. There is a glaring contradiction, because of the requirement to deliver efficiency savings of 3 per cent. each and every year for four years to make the review work.

One might hope for a miracle from the appointment of General Sir Sam Cowan as Chief of Defence Logistics, but the effort to find £2 billion a year by the fourth year by combining the logistic operations of the three armed services will mean that the search for efficiency savings will go down through every level of the budget holders, until eventually individual units in individual base locations will have to scratch around for 3 per cent. savings each and every year. I hope that hon. Members will understand the scale of the task. It is equivalent to having to save 100,000 jobs in supporting the armed services. The armed forces have been set an enormous task, which has the potential, I fear, to destroy the policy for people that every hon. Member supports.

I am most concerned about the impact on the quality of life of service men and people in the Army. The Royal Armoured Corps is taking part in a conference, with commanding officers addressing subjects such as "How can we put the fun back in?", but what happens when one searches for yet more efficiency savings on top of the £6 billion a year efficiency savings that have already been made in the past 10 years? What happens to money for adventure training, for single service men's accommodation, and for people to be able to mount expeditions, which we want as many young officers as possible to undertake? All those things get squeezed.

When young officers, for example, plan exercises, they will find that there is no money for transport, and that the spares allocation is insufficient to support the exercises that they want to take their soldiers on. All those things impact on the quality of life and motivation of service men and Army officers and soldiers.

That financial pressure on the day-to-day administration of service men's life is administered the coup de grace by political correctness. That is where the strategic defence review is absolutely right to address the issue of ethos. We have to protect it, but the ethos of the Army is changing.

One of the problems is the fear of the chain of command being politically incorrect and prepared to stand up for the young men and women who are under its command. There are all sorts of issues. The one that I want to address is that of integrating women into the armed forces and how difficult a challenge that is in units where it is happening, particularly the Royal Artillery, which, in the fighting echelon, is the furthest forward in relation to women making their presence felt.

What Ministers must understand is what the Army is for in peacetime. It is about training for war. What we try to ensure is that, when soldiers go into battle, they are inoculated against battle shock and the squalid, appalling conditions that they will find in war. We can replicate those conditions in peace, so that, when they face those conditions, they have trained for them and are still able to operate.

That is why our elite units are trained so toughly and to such a high standard. We are able to do that with units such as the Special Air Services, the Parachute Regiment and the Royal Marines, because we select an elite to undertake that quality of training; but the rest of the Army has to strive for those standards.

If we then impose on the rest of the Army a politically correct vision of how they should carry out their training, we are hobbling young officers and junior non-commissioned officers who are trying to achieve the highest training standards. They become frightened to lead and to manage, because they see their senior officers taking cover under what one might describe as a politically correct umbrella. They take cover behind regulations.

We all know what it means to run into a jobsworth. The more regulations and political correctness are imposed on the Army and other armed services, the more difficult it becomes for young men and women to lead, to take the initiative and to achieve the standards for which our armed forces are peerless in the world.

I use one example, of which I hope the Minister will take note, of one young man who showed initiative. His name is Major Milos Stankovic. One of the few Serbo-Croat speakers in the British Army, he worked for General Sir Michael Rose, among other commanders, directly in Bosnia. Major Stankovic's job, with a Serb father, strangely enough, was to win the confidence of Mr. Karadzic and General Mladic, and to get close to them, to enable General Rose to talk with authority on them and to find out what their intentions were.

We all know that the Americans had it in for General Sir Michael Rose. It appears that the CIA picked up various communications of Major Stankovic when he was carrying out his duties, doing his job for the British Army with initiative, possibly taking that initiative to the limits that a young officer should. When he came home to the UK to go on an Army staff course, he was arrested during a lecture. He has spent more than a year being investigated by the Ministry of Defence police, which is plainly totally out of its depth in conducting an investigation that will, I assume, involve signals intelligence, the CIA, MI5 and MI6 and goodness knows what other agencies.

If after a year—frankly, if after a month—a case could not be brought against Major Stankovic, it should be dropped. This is a young man who was doing his duty for his country and whose career has been sacrificed because the MOD police have been unable to carry out a proper investigation.

I use that as an example of the sort of initiative that is shown by young men and young officers, but then the umbrella goes up and everyone hides from the

[Mr. Blunt]

responsibility, saying, "It is all sub judice. We cannot do anything about it." That is what happens when young men show initiative and their service and Ministers do not protect them. What message does it send to other members of the armed forces?

Homosexuality poses a serious threat to the future ethos of the armed forces. There is an existing modus vivendi. Of course there are homosexuals in the armed forces, but, "Don't ask, don't tell," is effectively what we have. If their homosexuality is invisible to other people, it is not an issue, but the moment we change the rules and impose a right for people to be overtly homosexual in the armed forces, in platoons of infantry and in ships, we have begun to undermine the essential fabric that goes to make up the necessary ethos that makes men fight for each other. Of course, we are most concerned with the fighting echelon, where that necessary team work has to exist. I urge hon. Members to listen to the armed forces, because they are the ones whose ethos is under threat from this change.

If Ministers proceed with this change, the one thing that they will have to deliver is single service men's accommodation of en-suite bathrooms, and single accommodation for every service man in the armed forces. That is going to be a fabulously big bill. That would be an absolute minimum requirement.

Mr. Reed: Is the hon. Gentleman suggesting that, because of homophobia within the armed forces, we should not have homosexuals? Because there is racism in the armed forces, is he suggesting that we do not have black and Asian people in for the same reason?

Mr. Blunt: I am not for a moment making that suggestion. There is no equivalence between racism and homosexuality. It is impertinent of the hon. Gentleman to suggest that there is.

Having dealt with my worries about the threats to the ethos and the policy of those who serve in the Regular Army, I turn to the Territorial Army. When I heard the Under-Secretary speak this morning, I wondered what planet he was on. He told us that the proposals for the TA were good news. That contrasts with the view of the vice-chairman of the council of the Territorial Auxiliary and Volunteer Reserve Association, Colonel Putnam, who told the House of Commons Select Committee on Defence:

"the announcement of the SDR was a black day for the Territorial Army and we are now very concerned as to what the final structure will look like."

Ministers should understand that their proposals for the TA are strategically, politically and administratively wrong. In the words of the Defence Committee, unanimously supported by all its members—including seven Labour Members—they are "misconceived".

I received a letter from Colonel Putnam yesterday. Ministers should be aware of what is happening to members of TAVRA and the TA as they try to put Government proposals into action. Colonel Putnam wrote:

"Over the last two weeks the situation has deteriorated in that 'horse trading' is now being conducted over the identification and selection of TA centres for sale to meet the now reinforced requirements of proceeds from the sale of TA Centres hitting the target for the budget for the fiscal year 1999/2000.

The rush for selection is now 'carving up' the plans made and submitted to date. In other words, there is pressure to identify TA Centres that can be sold quickly, ignoring the footprint and defence solutions. Whilst this confirms clearly that fiscal pressures are driving the TA and other elements of the SDR, it has placed everyone involved in the process both within this Association and the chain of command in a position where we can no longer be honest with our Volunteers, our MPs, employers, civic authorities and all others interested in defence and the Reserves."

That is where the appalling proposals for the TA have led. I hope that, if the Minister cannot rescue the situation, he will at least ameliorate it.

I conclude by becoming a little parochial. I am concerned about what is happening to the Territorial Army in the south-east. Current proposals suggest the TA will have 970 all ranks across four counties in the south-east. That is a reduction of 48 per cent. If the proposals were based properly on a footprint of our population, the south-east would have some 2,756 volunteers for the TA, instead of the dismal number proposed. Colonel Putnam's letter concludes:

"we are in danger of having been forced to design a TA, particularly for the Infantry and Royal Engineers, that is not viable as it will lack opportunity which will increase turnover and will not, over a period of time, be worth joining."

In last week's debates on the strategic defence review, the hon. Member for Paisley, South (Mr. Alexander) hoped that the engineering unit in his constituency would survive. The proposals will take five regiments of engineers out of the TA order of battle—and that is not to mention the proposals to destroy the yeomanry and the infantry. If stories about the appalling names to be given to successor units—such as the Home Counties battalion—are true, I fear that they will lack any cohesion or esprit de corps.

Mr. Swayne: Does the hon. Gentleman believe that some motive may lie behind these suggestions? In a few years, when the turnover and the number of vacancies on the establishment have increased, Ministers will be able to get rid of the remainder, because it is under strength.

Mr. Blunt: My hon. Friend makes a good point. We should have learnt that lesson already from what has happened to the Regular Army in trying to manage the reductions from "Options for Change". There was a widespread impression that the Army no longer needed recruits because it was downsizing. In fact, the redundancies that took place were intended to ensure that the Army retained a proper structure of age, rank and experience. We are in danger of sending the same message about the TA. If the units cannot offer people the loyalty of serving alongside their mates, that will be highly deleterious.

The TA centre in Reigate is going to close, along with the field troop of 127 Field Squadron, which is part of one of the five regiments of engineers that will go. That will have an effect on the associated Army cadet force hut in Reigate. Lieutenant Graham Cromer, who leads that ACF detachment, has told me the benefits that the ACF receives from collocation with the TA. They include support from instructors, visits to see adult members of the TA at work, seeing equipment, and the opportunity to train with the TA. The ACF and TA can also jointly mount recruiting exercises. Reigate has a .22 range administered by the ACF, and used by other ACF detachments and Reigate grammar school combined cadet force. All that will go if the site is sold.

The Defence Committee was told that it would cost £130,000 on average to replace each cadet hut. If 150 units are threatened, that adds up to an enormous sum, for which no provision has been made. While they wait for their huts to be rebuilt, the units will begin to disintegrate. The ACF lives on the enthusiasm of its volunteer leaders, both military and civilian. When they are dispossessed, the Government's good intentions and the words of the Under-Secretary about the value of the ACF as a youth movement will fall apart.

I am sorry to have detained the House so long, but I hope that hon. Members will understand. The Army is an institution of which I am fiercely proud. I want it to be protected. Its fate lies in the hands of Ministers, and particularly in those of the Minister of State. We look to him to ensure that, when his term of office ends, the condition of the Army is at least as good it is today—if not better.

7.56 pm

Dr. Norman A. Godman (Greenock and Inverclyde): I shall ask the Minister some brief questions on personnel management matters, but first I should reply to the hon. Member for Surrey Heath (Mr. Hawkins), who implied that no one on the Labour Benches or their families had any military experience. I am proud that my father, who served with an infantry regiment, was awarded the Military medal for an act of bravery in the field. For my part, I have the honour—which some would call dubious—of being the only Member of Parliament who served in the Royal Military police. I know that the hon. Member for Mid-Norfolk (Mr. Simpson) had some association with that fine body of men and women.

I am sorry that the hon. Member for Richmond Park (Dr. Tonge) has left the Chamber, because her intervention on the European dimension was interesting. I believe that circumstances will force the European Union to develop a defence dimension because America is turning in on itself. One day, growing pressure in the USA will result in military disengagement from European defence structures. I am sorry that no member of the Scottish National party is here because we could have been entertained to a disquisition on the founding of a Scottish army after independence next May. Perhaps we will hear more of those plans closer to then.

I have some concerns about the Government's personnel policies. I have often seen our soldiers in Northern Ireland performing their arduous duties commendably. I think that I told you not long ago, Mr. Deputy Speaker, that while in south Armagh late last year, I saw some young Argyll and Sutherland Highlanders guarding the border there in difficult circumstances. I was in the company of the right hon. Member for Cities of London and Westminster (Mr. Brooke), whose constituent I am while living in London. I was proud to see those lads. I am talking about teenagers who were engaged in the war against the vicious fascist terrorists who claimed that they were conducting a military campaign. How absurd and obscene it is to argue that they were conducting a military campaign in a mature parliamentary democracy. Some of those youngsters were constituents of ours. I have seen our young soldiers in places such as Bosnia. I was proud of the way in which they too have performed their difficult task.

Speaking as an MP, and an ex-MP, I believe that our infantrymen make excellent United Nations peacekeepers. They are among the finest, alongside the Irish and others, including some from impoverished countries that put up soldiers to serve in peacekeeping forces. It reflects badly on America that it fails to pay its dues to the United Nations for peacekeeping operations.

On personnel issues, I have had numerous representations from constituents and others in the west of Scotland on the Territorial Army. The decisions will have to be implemented sensibly and tactfully. Cadet forces in the west of Scotland and elsewhere in Scotland—I leave English Members to argue their case—are in the main poorly equipped. I do not blame that on a Government who have been in office for only 15 months. I made the same complaint in opposition. Young lads and lasses are dead keen to serve in the cadet force but they are given equipment that is nothing short of a disgrace. Something must be done or their enthusiasm and motivation will be blunted.

I am not too unhappy that my hon. Friend the Member for Barnsley, East and Mexborough (Mr. Ennis) is not here. I want to engage in conflict with him on whether the major generals should be in Edinburgh or York. It makes good tactical sense for them to be in Edinburgh. I am not being biased or parochial. I am not speaking disinterestedly, but Ministers must consider closely the case for Edinburgh. I say that with all sympathy to my hon. Friends from Yorkshire.

As a young military policeman, I saw the bullying of young recruits. It still happens, unfortunately. When 17 or 18-year-olds, scores of miles from home—perhaps away from home for the first time in their lives—are bullied by non-commissioned officers or older soldiers, it is no wonder that so many quit in their first year. Not so long ago, I came across the case of a young girl soldier, a constituent of mine, who was subjected to dreadful harassment partly because of her accent. Her English corporal and squad instructor said that he could not understand her accent and made her life miserable, to the extent that she understandably quit and came back home. Every effort must be made to eliminate bullying and the bullies must receive condign punishment when convicted of such behaviour. Similarly, racial harassment must be eliminated. There is a perception in ethnic groups that youngsters in the forces are likely to suffer from such intimidatory behaviour.

Promotion must be based only on merit, talent and potential. With respect to all the ex-officers among the Conservatives, as a young national service man I had much greater respect for my regimental and company sergeant majors than for some of the chinless wonders with two pips on their shoulders. Many other ex-national service men would say the same.

The senior NCO is the backbone of any unit. No former officer can deny that fact. I thought that some of my senior NCOs were first-class people whom I would follow anywhere, even though I was a reluctant national service man; some of the officers—God forbid. I would not have crossed the street with them. Our Army must become classless. The youngster from Greenock with the west of Scotland accent should not be discriminated against and the Afro-Caribbean youngster should not be discriminated against in taking a commission and promotion into the officer ranks.

What is the Ministry of Defence's policy on offering re-engagement to soldiers convicted of the most serious crimes? Hon. Members in the previous Parliament may

[Dr. Norman A. Godman]

recall that I complained about the re-engagement of Private Clegg. Have Guardsmen Fisher and Wright been offered re-engagement? Will the three young soldiers convicted of the dreadful rape and murder of a young Danish girl in Cyprus be offered it when they complete their prison sentences? I hope that the Minister can answer because I for one do not believe that soldiers convicted of heinous crimes should be re-engaged after they have served their terms of imprisonment. The forces are better off without them.

I want to speak on behalf of those young soldiers and others who took part in the nuclear tests. I am one of the very few hon. Members to have visited Maralinga in the state of South Australia. I saw the test sites and spoke to Australian veterans. While they said that their compensation was not adequate, it is reasonable to suggest to the Minister, as I did to my hon. Friend the Member for Stockton, North (Mr. Cook), that Australian ex-service men have been treated more sympathetically than our nuclear test veterans. Those veterans, whose numbers decrease all the time, should be given more sympathetic consideration by the MOD and other Departments.

More needs to be done, particularly for our young recruits. The role of the NCO is to look after his or her young recruits, and to ensure that a youngster coming into a regiment is not bullied or subjected to racial harassment. All ranks—officers and NCOs—need to be educated if we are to eliminate racial harassment and the pernicious problem of the bullying of young recruits. Much more, as I say, needs to be done by all concerned.

8.10 pm

Mr. Peter Brooke (Cities of London and Westminster): It is a great pleasure to follow the hon. Member for Greenock and Inverclyde (Dr. Godman). He referred to our mutual experiences in Northern Ireland. One of the incidental pleasures of serving with him on such trips is to hear of his experiences in the royal military police. The House was the better for his being able to share some of that experience with us today. He promised to be brief, and through you, Mr. Deputy Speaker, I can tell my colleagues on the Opposition Benches who are still waiting to speak that I shall be even briefer.

I must immediately declare an interest in that on Monday I lunched in the mess of the Royal Regiment of Fusiliers in the Tower of London, in the constituency of the hon. Member for Bethnal Green and Bow (Ms King). It was the annual luncheon for the Lord Mayor of London, which goes back to the link with the City of London Fusiliers. I was not lobbied, but I cannot say whether the same was true of the member of the Government who was present—the other parliamentary guest—the Under-Secretary of State for Health.

I should not sail under false colours. I am wearing a Sapper tie, and I am proud to do so. As a schoolboy, I rose to the rank of cadet captain, and one of the proudest moments of my life was to command 600 cadets for inspection by Lieutenant General Sir Brian Horrocks 46 years ago. I am old enough to have been trained on a drill book that instructed me on what to do with my sword in the event that I met His Majesty the King in a narrow trench.

I actively thought of becoming a regular soldier, but I damaged my knee in basic training for national service, and was eventually invalided out with a disability pension. Like Dr. Watson's old war wound from the Afghan wars, I still feel an occasional twinge.

When my brother, who is now a Lord Justice of Appeal, had a Sapper interview, he was asked whether he had had any relatives in the corps, and he replied, "My brother, Sir, was an acting lance corporal and my great-grand-uncle was a lieutenant general, both in the corps, and I hoped I might end up somewhere in between." I shall return to the Sappers before I conclude.

My first purpose in rising to speak is to support the Territorial Army units in my constituency. I did not speak in last week's debate on the strategic defence review, but on the second day I intervened in the opening speech of the Minister for the Armed Forces, who opened today's debate, and he gave me a helpful response, to which I shall return later.

The tradition of part-time military service in my constituency is long standing. Artillery lane in Spitalfields, on the edge of the City, goes back to a lease to an artillery company under the Tudors. In the 17th century, the Tower Ordnance and the Honourable Artillery Company both claimed that the land was theirs, and the HAC, with whom my right hon. and gallant Friend the Member for Old Bexley and Sidcup (Sir E. Heath) has so distinguished an association, moved to its present ground in Finsbury in 1641.

At the Westminster end of my constituency, Artillery row, where Politico's now stands, is derived from butts erected there in the reign of Elizabeth. The trained bands go back to the reign of her father. They were affiliated to what is now the HAC. They were the forerunners of the militia and today's TA. Four thousand of them were inspected by Queen Elizabeth at Greenwich in 1585. Under James I, they became four regiments under the command of the Lord Mayor. Their role in the civil war is well known. William III, in renewing their charter, insisted on a continuance of the HAC link. Only in 1794 were they reorganised as the City of London militia.

Similarly, the Military Company was founded in Westminster in 1615, and was modelled on the Spitalfields Artillery Company. It was commanded by a professional soldier, and trained in three and a half acres of land acquired in the north-west part of St. Martin's field. Their service lasted well nigh a century.

Gradually, the militia and yeomanry emerged. I draw attention to a personal constituency link that goes back to my most distinguished predecessor, Charles James Fox. Despite his falling out with his erstwhile ally Edmund Burke, who had reacted against the French revolution, Fox continued to argue passionately for the maintenance of the militia as a key component of the nation's defences against the French.

I shall now encourage the House by fast forwarding two centuries to my intervention last week in a passage in the speech of the Minister for the Armed Forces in which he was discussing ethnic recruitment. My constituency TA interest lies in the London Scottish Regiment, which is historically located in Westminster, based in Horseferry road, and is now part of the London Regiment; and in the Royal Green Jackets, which is headquartered in Mayfair. Other parliamentary colleagues represent the London Regiment's drill halls in Battersea,

Camberwell, Hornsey, Edgware, Balham and Chelsea. Overall, the London Regiment has a 12 per cent. ethnic strength, with 9 per cent. in the London Scottish, which has a very strong expatriate element.

As to the Royal Green Jackets, 20 per cent. in the regiment's volunteer arm in London are of ethnic origin. Perhaps still more remarkable is the fact that 43 per cent. of the cadet corps in Mayfair, to whom the TA link is so important, are of ethnic origin, and half their cadet corps contingent are from single parent families or broken homes. We should all thank God for the structure, decently administered, that the Army gives to those particular young lives.

When I intervened in the Minister's speech last week, I asked him what moral the MOD drew from these statistics. He acknowledged that lessons were to be learned from this experience. Because mine is an inner-city seat, I would be exceptionally sad to see those lessons and that achievement threatened by the Government's cull of the TA. I recognise that a Mayfair property offers the same temptation for development as the training grounds in Spitalfields and St. Martin's field offered in the 17th and 18th centuries, but it would be a tragedy, given the ethnic recruiting achievement and advancement of my constituents, if those notable assets were jeopardised when ethnic recruiting is properly so important. The Horseferry road site is not a similar prize, as it is only leased to the MOD in a forerunner arrangement to the private finance initiative.

I understand that one motivation for the reforms was to establish units nearer where people live rather than where they work. I have remarked before that 22 per cent. of the employed population of Greater London work in my constituency, and my 73 Greater London parliamentary colleagues are good enough to look after the other 78 per cent. If that is the pattern of people's lives in Greater London—and if it produces the great advances in ethnic recruiting in an inner-city seat to which I have referred—then working against the grain of London behaviour constitutes a massive risk.

I want to say a loyal word on behalf of the Sappers. I have not been directly briefed by them, so the Minister may correct what may have been a wrong impression on my part, although I have received reinforcement from my hon. Friend the Member for Reigate (Mr. Blunt). My understanding of the review is that the third combat group is faced with a cut of half its Sapper element.

I mentioned earlier my Sapper great-grand-uncle, who became a lieutenant general. He was a bachelor who served in one imperial territory after another across the 19th century empire. I have his watercolours of the Crimea. Later, in Mauritius, where he was an early photographer, he helped build the roads, the port, the prison and the hospital. I mention that echo of more than a century ago to make the point that the Sappers are a major resource for civil works, which in civil life we would miss if the Sappers were cut to ribbons.

I feel immense vicarious pride in our soldiers. When I served in Northern Ireland, 4/5 Commando was serving in south Armagh in the winter of 1990–91, and saw its immediate next service in Iraq looking after the Kurds in the aftermath of the Gulf war. President Bush sent a four-star general to see how the military support for disadvantaged civilians was going. On his return to Brussels, the American general called Field Marshal Sir Richard Vincent to say how impressed he had been with 4/5 Commando, adding that he had never seen soldiers handle civilians so sensitively. He went on to ask where we found them and where we trained them. Sir Richard replied simply, "We train them in south Armagh." God knows, we must all hope that the need for training or any activity in south Armagh is a thing of the past, but the episode is an index of the pride that I feel.

I close humbly with that legendary address by the padre to the departing battalion in the first war. He said:

"God go with you everywhere. I can only come as far as the station."

8.20 pm

Mr. John Smith (Vale of Glamorgan): It is a privilege to follow the right hon. Member for Cities of London and Westminster (Mr. Brooke). I apologise for having to slip out during his distinguished speech; I know that I must have missed a great deal. It is also a privilege to have an opportunity to speak twice in a week on such an important subject as the great British Army. It is good that the Government have found time for this debate at this point in the parliamentary timetable and just before Remembrance Sunday. I can think of no better topic than the British Army to discuss at this time.

As a Welsh Member of Parliament, I am conscious of a further privilege. Wales has a fine tradition that stretches back as far as the bowmen of Gwent at the battle of Agincourt, through to those courageous receivers of the Victoria Cross at Rorke's drift and right up to today, when I believe that the Welsh Guards were part of the guard of honour for the visiting president of Argentina. That is a symbol of just how great and how professional our forces are and what a fine job they do. Mr. Simon Weston—that veteran of the Falklands war, who was so badly scarred and damaged outwardly, but inwardly is a courageous man who has done so much since the war—had positive and constructive comments to make this week on the visit of the president.

We can be optimistic about the future of the British Army following the Government's strategic defence review. In general, the review has been good news for the Army after such a long period of changes, reviews and cuts, which created a great deal of the instability and uncertainty that has affected morale in the Army. The hon. Member for Reigate (Mr. Blunt) referred to the low morale in the Army. I believe that it was due mostly to the way in which uncertainty affected professional men and women doing such a good job.

The truth of the matter is that yes, there was a peace dividend; there was a downsizing of our forces. I will be even more generous and say that Ministers in the Tory Government carried out those reviews with the best of intentions. However, the outcomes often bore no relationship to the intentions following the cold war. The reviews did not arrive at strategic solutions to the situation in which we found ourselves. They were a way in which to reduce the defence budget by not touching the commitments of our armed forces one iota, but cutting their resources and the wherewithal to achieve their goals in the world.

Mr. Blunt: The hon. Gentleman will, therefore, join us in deprecating the fact that further changes are to be

[Mr. Blunt]

imposed on the Army, including the requirement to achieve efficiency savings and a further £900 million a year cut in the defence budget.

Mr. Smith: Not at all—for two reasons. We are providing a stable budgetary environment for a minimum of three years—something that has never been done before. More importantly, we are providing a strategic environment for our forces which will last for the next two decades. That is exactly what service personnel in the Army have been wanting to see for so long.

Previous reviews turned out to be death by a thousand cuts. You cut here, you cut there, whether it was "Options for Change" or "Front Line First". Manpower and resources were cut and our defence commitments in the world were increased. No wonder some of the boys and girls in the services suffered such a decline in morale. They were doing continuous tours of duty. They were coming back from serving in one part of the world to go and serve in Northern Ireland. No sooner were they back than they were called back again. Let me not for one minute question the professionalism and service that they provide for this country.

Let me repeat something that I said last week; it happens to be true. We have the best army in the world, and we want to keep it like that. It may not be the biggest, but it is the best. For the past 18 months, I have represented this Parliament on the North Atlantic Assembly. That gives me the privilege of visiting other NATO countries and talking regularly to parliamentarians from those countries, including the United States and Canada. I hear nothing but praise for what our services do throughout the world—for example in Bosnia, where British soldiers are leading the way. One minute they have their sleeves rolled up and are working with the local community and the next, they are manning tanks at the other end of the town or village to defend people living in that area. They provide an example to the other forces who have gone there. I hear nothing but praise for the Army and I think that it should receive nothing but praise from hon. Members on both sides of the House.

I understand the concerns about the bad publicity that some of our service personnel get. There have been damaging episodes, but let us not get it out of context. Let us not lose sight of the fact that our service personnel's conduct and behaviour is far better than the average conduct of young people in the community. Service men and women set an example to young people in the community. That is why I should like to take this opportunity to congratulate the Government—*[Interruption.]* Heckle me if you like. This is the problem, Mr. Deputy Speaker. We are talking about the British Army, and the Whips sit there heckling and trying to make fun of the services. It is disgraceful, but it is typical. Opposition Members claim to represent the interests of the British forces, but every member of the forces currently or previously serving knows damn well that he or she is always better off under a Labour Government. They are going to be better off under a Labour Government for the next 10 years.

We won the general election last year with a terrific mandate. Much of that mandate came from our armed forces, who had had enough of the Conservative Government. Little did we realise what damage the previous Government had done.

Mr. Blunt: I should like the hon. Gentleman to name the terms under which he thinks that the armed forces are better off under a Labour Government than they were under a Conservative Government. He should name his terms, and then we will examine them.

Mr. Smith: All of them. There is a better way: let us consider the legacy that we were left with. The Conservative Government cut the defence budget by almost half in real terms as a proportion of GDP during their period of office. The Conservatives cut the number of service personnel from almost 750,000 to 400,000. They made the biggest cuts ever seen in the defence capacity of this country. I would agree that all that would have been part of the peace dividend if they had reduced expenditure rationally and strategically, but they did not, and the result was overstretch, as several Opposition Members have admitted. The Labour Government inherited that overstretch, which was putting unfair pressure on personnel in the Army and the other services.

The previous Government's cuts meant that there was an absence of heavy lift capability—the ability to get our troops to the front line and support them once there. Medical services in the British forces were an absolute disgrace—almost non-existent. That was another unacceptable situation that we inherited. I could continue the list, but I do not wish to do so, because I believe that the strategic defence review has completely reversed the position.

I was delighted by the announcement last week that British service personnel will shortly wear uniforms in the community. I believe that that will make a far greater contribution to our recruitment efforts than we realise. Believe it or not, the last time I saw British service personnel in full dress uniform when off duty was when I was carrying out my responsibilities in connection with the North Atlantic Assembly in Moscow. As we walked through Red square, we saw three members of the Black Watch in full military dress—off-duty soldiers who were there as tourists. As they walked across the square, Russians flocked to look at the spectacle of some of the finest soldiers in the world—British soldiers. They were instantly recognised for what they were—Scots and soldiers. They won great praise, much to the consternation of the Red guards guarding Lenin's tomb, who were not at all happy.

Joking aside, when we see our fine young men and women, walking once again in uniform through the streets, it will give the finest example of what our forces do. That will encourage far more youngsters to recognise what the armed forces offer in terms of a career and future. I am sure that they will take advantage of those opportunities.

We have heard much about the Territorial Army—in fact, most of the speeches, with one or two fine exceptions, have been completely dominated by that subject. That is understandable: there are constituency interests throughout the country and Members of Parliament are bound to be concerned about their local

TA unit. However, if that is all the Opposition can question in the strategic defence review, we have little to be concerned about. How can Opposition Members question that the SDR was necessary? The nature of warfare has changed completely.

Mr. Paterson: As a Welsh Member of Parliament, is the hon. Gentleman not concerned about the rumours that the Royal Welsh Fusiliers will be almost eliminated as a TA unit in north Wales and that north Wales will be denuded of an Army presence?

Mr. Smith: The honest answer is, yes, I would be concerned, if such a decision undermined the new part the Territorial Army is to play in our strategic military role. Because of our fine military and regimental traditions, we in Wales have one of the highest recruitment rates to the Regular Army in the United Kingdom. An important military consideration within the terms of the SDR was the need to reorientate the role of the TA, and I know that such factors will be considered in the consultations that are taking place.

I believe that the thinking is that the two battalions—the two great cap badges—will be kept in Wales, north and south, although, as a result of the restructuring, they may be cut back in terms of company numbers within those battalions. When restructuring, quite rightly, takes place in line with the strategic defence review, I believe that the viability of the two regiments will remain to ensure that, in line with Government thinking, we maintain the same high levels of recruitment in Wales that are of such benefit to the Regular Army. I am confident that, within the terms of reference of the SDR, the Government will take into account those serious arguments and not the spurious arguments advanced today.

Under the review, the Army has to be restructured to provide it with a relevant role for the future, and not the partially irrelevant role it has played for the past 10 years, preparing for a war on the eastern plains of Germany—the wrong place, now that the boundaries of Europe have changed—that will not happen in the foreseeable future. The Army must be able to play a leading role in the world by being able to react quickly and to project power rapidly to trouble spots in support of international initiatives.

Mr. Key: In view of his particular expertise on the North Atlantic Assembly, will the hon. Gentleman give us the benefit of his views on the role of the Army in relation to Western European Union?

Mr. Smith: I should be delighted to, but I want to focus on only one or two specific issues relating to the Army, and there is insufficient time to digress.

Mr. Hancock: Before the hon. Gentleman moves away from the subject of the TA in Wales, I am sure that he will get the support of every hon. Member if his premonition—which appears to be well informed—about the end result in Wales is fulfilled. In that case, I am sure that he will be the first to congratulate my hon. Friend the Member for Brecon and Radnorshire (Mr. Livsey) on his campaign to preserve the TA in Wales. I am sure that the hon. Gentleman will give heartfelt support to my hon. Friend's efforts to restore some credibility to the British Army in Wales, which will help the Labour Government.

Mr. Smith: Wales has done well from the strategic defence review in general. I have no idea what the final outcome will be for the territorials, but I am confident that, within the terms of the review, we shall retain our battalions in Wales as viable entities.

Finally, I turn to a further benefit to Wales that may emerge from the review. Several hon. Members referred to the withdrawal of forces from Germany and the shortage of training locations in the United Kingdom. I tell Ministers that training facilities are available in the Principality, where forces relocating to the United Kingdom would be more than welcome. We are able to house military personnel and provide facilities for some of their activities.

The British Army and our other forces have a fine tradition. I am a former aircraftman and served alongside regular soldiers, and I have seen just how great they are. I confidently predict that, in the next 10 years, they will be even greater and an asset of which the United Kingdom can be proud. I should like to think that, on both sides of the House, hon. Members will be able to unite in ensuring that the strategic defence review is implemented fully, so that our forces may prosper in the future.

8.38 pm

Mr. Robert Walter (North Dorset): The persistent theme in today's debate, and in last week's debate on the strategic defence review, has very much been the future of the Territorial Army. One of my concerns about the TA's future has been the somewhat secretive nature of the consultation exercise on it.

In last week's debate, the Secretary of State said that he was prepared to listen to hon. Members' concerns. However, officially, hon. Members should not be aware of the contents of the document on TA restructuring, which has not yet been placed in the public domain. In the excellent document prepared by the Library on the strategic defence review, Library staff seemed to show some concern about the document's existence. Although people seemed to know its contents, the document itself could not be mentioned. We therefore have to rely on the summation of the document that was printed a couple of weeks ago in *The Sunday Telegraph*.

I should like to deal with the specific case, in my own constituency, of the possible demise of the 4th battalion, Devonshire and Dorset Regiment, which is very much a part of the TA infantry. First, however, I should deal with the general problem of the review's handling of the TA infantry, and consider four possible consequences that the review and proposed measures may have on the TA infantry—on recruiting, reinforcement, regeneration and community links between the TA and local communities.

There is in the Army a natural balance between the Regular Army, the Territorial Army and the Army cadet forces. The proposals, particularly those affecting the infantry, will disturb that balance. I do not think that sufficient weight has been given, in either the SDR or the TA review, to the TA's role in Regular Army recruitment. Although that role is certainly a non-operational one, it is one that has been very much undervalued. If there is a reduced or no TA presence in large parts of the United Kingdom, the TA's recruitment role will be greatly diminished. The TA infantry personnel ceiling of 6,500 is woefully inadequate if the TA is to play any significant role in recruitment.

The reduced personnel ceiling will have a severe impact also on the support that is given to the Army cadet force, which is itself a traditional source of Army recruits.

[Mr. Robert Walter]

More practically, the reduction will have a severe long-term impact on the number of instructors in the Army cadet force.

Hon. Members have already mentioned in this debate the TA soldiers who serve gallantly in Bosnia backing up the Regular Army. To reduce the TA is to reduce the pool of willing volunteers who are able to fill the shortfall in deployment of regulars. Further overstretching of regulars inevitably will have a negative impact on Regular Army training and morale if TA soldiers, especially TA infantrymen, are not available to reinforce them.

Traditionally, in times of conflict, the TA infantry has been the regenerative force. If the TA is reduced, that essential role also will be reduced. In a conflict, if we had speedily to increase the size of the Regular Army, the TA would be much less able to provide the base essential to do that if it were reduced or eliminated in parts of the United Kingdom.

I must also deal with community links which are an essential part of the TA. The TA is a key element in the relationship between the civil and military populations. Cutting the TA and reducing that experience of contact with the Army will have a fairly devastating effect, not only on the TA itself, but on the Army cadet force which performs the essential role of instilling the qualities of service, discipline and loyalty into many of our young people.

That leads me neatly to the 4th battalion, Devonshire and Dorset Regiment in my constituency. It is very much part of the local scene, but also of the Army establishment. Within the two counties of Devon and Dorset, we currently have five companies of the TA in Exeter, Plymouth, Paignton, Dorchester and Poole. We have affiliated combined cadet forces at 12 schools—two in Lyme Regis, one in Tiverton where both my sons served in the combined cadet force, one in Wimborne and Iwerne Minster in my constituency, two in Exeter, and one in Dorchester, Plympton, Bruton, Plymouth and Sherborne. That represents quite a spread across the two counties. We have six companies of the Army cadet force spread across 58 detachments. In my constituency, A and C companies are represented at Blandford, Gillingham, Shaftesbury and Wimborne.

The strategic defence review is coy about the future of the combined cadet force and the Army cadet force. However, if we consider the SDR and what we believe to be in the TA restructuring document. it is clear what is going to happen to the five companies of TA soldiers in the Devons and Dorsets—there will be not five companies but two. In my county, there will be just one and, to add insult to injury—if *The Sunday Telegraph* article is correct—it will no longer be a company of the Devonshire and Dorset Regiment anyway. It will be renamed and reformed as something called the South West Battalion.

I imagine that, in the view of some civil servant, such a name will fit neatly alongside the Government office for the south-west, the south-west regional development agency, the south-west regional chamber and the great move towards regionalism. However, these proposals destroy the Devon and Dorset family, or at least a very important part of the historic links between the soldiers and their community.

The combined strength of the volunteers in the 4th battalion and in the cadets is some 2,200 soldiers. They are all proud to wear the cap badge of their county regiment, and are proud of the regimental band which is very much part of the TA, but which nevertheless serves the whole regiment. Why is it that in new Britain under new Labour, it is not very hip to be in the TA, not very cool to be a cadet or, especially if we are to believe the proposals, not terribly cool to be part of a county regiment? That is poppycock. It is another example of the Government's insensitivity to what happens in vast swathes of rural Britain.

The strength of the TA is its local associations. In the debate on the SDR, the Minister talked of greater integration between the TA and the Regular Army. If I take my own county TA regiment as an example, the proposals will break the link between the TA and the regulars. At the moment, the 4th battalion, the TA, operates alongside, and under the same command structure as, the 1st battalion, the regulars. That will be wholly destroyed. We shall destroy the conduit which is not only part of our community and county structure, but part of the British Army.

When he opened today's debate, the Minister said that the proposals were based on the principle that the TA was to be integrated and relevant. Having considered the proposals for the county that I represent in part, they are pretty disintegrated and will make the TA pretty irrelevant. That is because there will be so little of the TA in the county to be seen.

I make a plea to the Minister on behalf of the Devonshire and Dorset Regiment and of all county regiments with TA links. We should keep these TA units with their county regiments. I believe that the ceiling of 6,500 men for the TA infantry is inadequate, and that it will lead to manning problems in the regular Army. If anything comes of this debate and last week's, I hope that Ministers will reconsider the overall numbers of TA infantry and their links with local communities, particularly local communities in rural Britain.

8.50 pm

Mr. Bruce George (Walsall, South): I had not intended to speak in the debate, having had a good run last week. I did not want to replicate my speech of last week. However, I thought it was important to participate this evening because I would not want to give the Whips the opportunity to say, "Let's abandon this single-service-debate concept because the debate petered out before the time when it was supposed to end." It is important that we sustain sufficient debates on defence because defence remains a vital subject.

Defence debates are rather like London Transport buses in that we wait a long time for them to come and finally, when they do arrive, they arrive en masse. I understand that there may be a debate next week on the Royal Navy, which will prove the point.

I had an invitation to join a number of people in the Guildhall this evening to celebrate the arrival of President Menem. However, there was the Army debate and I was organising a function in the Jubilee Room with the Royal British Legion. That meant that the world was spared the sight of me in a white tie and tails. Tailors were denied the £100 fee that I would have paid to participate in that unique occasion.

The debate is important. I have been rather embarrassed by some of the speeches of Opposition Members. I recall making one of my early speeches on defence a long time ago in the mid-1970s, when I was not treated with discourtesy. I was not treated by Members on the Benches opposite mocking or sneering because, never having served in the armed forces, I was daring to participate in a debate where some Members thought, because they had served as majors in the catering corps, they had a depth of knowledge sufficient to pontificate like some latter-day Clausewitz on affairs of state.

I do not buy the argument that only those who have served in the armed forces or whose great. great, great-grandfathers served, have a monopoly of wisdom, concern or, dare I say, knowledge of defence issues. I welcome the contributions of Members such as my hon. Friend the Member for Birmingham, Hall Green (Mr. McCabe). I hope that he will participate regularly in these debates, despite the disgraceful way in which his speech was treated by some Opposition Members, with a pomposity that I found deeply repugnant.

The view seemed to be expressed that on day 1, 2 May, the armed forces suddenly declined and that hitherto they had been wisely led and funded by a group of people who made impeccable, perfect decisions. It seemed to be thought that, the moment the Labour Government came into office, pacifist, unilateralist thickos ruled the roost and brilliant men, like the drivers of black taxi cabs who regularly pontificate on all affairs of state, were denied the opportunity of making key decisions.

I looked at some of the reports produced by the Defence Committee in the last year of the Conservative Government to remind myself of those latter-day Clausewitzes and Churchills who had been responsible for our armed forces. Reports from the Session 1996–97 included one on the sale of the married quarters estate—not one that I would be particularly proud of if I was a Tory. Our third report was on defence medical services, about which they should feel distinctly embarrassed, if not humiliated.

I quoted from the report on defence spending last week. I offer no apologies for repeating our insistence that the defence spending plans set out in the 1996 Budget should at least be maintained in real terms in future years, because any further reduction would jeopardise the defence of the realm.

Our sixth report was on the latest developments on Gulf war illness—which, under the previous Government, were virtually nil. Then there was heavy lift. What heavy lift? There was prevarication on the future large aircraft. Is the Royal Air Force going to fly a concept? The Defence Committee must accept some responsibility, but the previous Government decided to go for the C130J, on which there was two years' delay. What about sea lift? If we wanted sea lift, we had to go to the open market and get the Ukrainians or the Poles to provide it. What happened to the merchant marine under the brilliant Conservative Government from 1979? It almost disappeared.

Some Conservatives argue that we should feel slightly ashamed because of the period in the 1980s when the Labour party was infected by a disease that it contracts every 30 years or so. We were cured and now the Government are sensible. I recall—although not from personal experience—periods about which Conservative Members should have some humility. I remember reading about the British Army in the 1930s—denied equipment and led by officers who were not very well qualified, with a general staff as inept as they were during the period when, one Conservative Member has asserted, they were donkeys. In a vote of confidence in 1940, instigated by the Labour party and the Liberal party, Conservative Members either sat on their hands or voted for the Government of Neville Chamberlain. The Winston Churchill Government was established with the support of the Labour party, the Liberals and a handful of Conservatives who had had the courage to vote against their party leadership. When I am lectured about periods of humiliation for the Labour party, I ponder the periods in the past 50, 70 or 90 years of which neither party can be particularly proud. Some humility is appropriate on both sides.

Dr. Julian Lewis: The hon. Gentleman is right to point to periods in which both parties behaved disgracefully, including the 1930s, when the Conservatives allowed themselves to be intimidated by a pacifist movement. The Labour party at the time was calling for even more disarmament than the Conservatives. The difference is that, when we got to the 1980s, the Conservatives had learnt the lesson of the 1930s, whereas the Labour party had to undergo the terrible defeats of 1983 and 1987 before abandoning unilateralism. Does the hon. Gentleman accept that we have had to refer to the 1980s tonight only when challenges were unwisely directed against the Conservatives by Labour Members saying that they had nothing to be ashamed of?

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. Interventions must not be speeches.

Mr. George: I would not have objected if the intervention had been sensible. I defer to the ability of the hon. Member for New Forest, East (Dr. Lewis) to penetrate the Labour party. Perhaps he should penetrate some history books and read about the Labour party. Ernie Bevin played a major role in destroying George Lansbury at the 1935 Labour conference. A. J. P. Taylor said that the subsequent Fulham by-election frightened the Tories out of what little sense they had. Labour Members in opposition and members of the trade union movement, who had seen their friends and comrades in Europe gaoled or murdered by the Nazis, saw the light much earlier than the Government of appeasement. Perhaps the hon. Gentleman and I should have a little seminar so that we can discuss who the guilty men were and distribute that guilt fairly evenly among political parties.

Dr. Lewis *rose—*

Mr. George: I shall not give way again. I make the point because it is necessary to get over to Conservative Members that there is no history of perfection in their party.

When I came into Parliament, everyone recalled that Denis Healey in the 1960s was the best Secretary of State for Defence since the second world war. One recalls the previous Labour Government leaving office having spent an average of 4.9 per cent. of gross domestic product on defence. Yes, spending rose a little under the Tories after the iron lady came into office, but that peak was largely

[Mr. George]

due to funding the ships that were sunk in the Falklands war. Not long afterwards, the Conservative Government abandoned the commitment of the previous Labour Government to increase defence expenditure by 3 per cent. in real terms, in line with a NATO decision. Yes, defence spending declined following the end of the cold war, although I should point out to Conservative Members that it began to decline in 1985—four years before the cold war ended. I would willingly engage in a history seminar with anyone who wishes to take part.

I have enormous affection for the British Army despite never having served in it. The only time that I threatened to vote Conservative—a long, long time ago—was when they abolished conscription. That decision led to the gradual fading away of militarily experience among Members of Parliament. It is important to sustain an interest in the armed forces in the House so that, even though very few of us have served in them, we are still able to comprehend the defence interests of the country.

I have an immense admiration for British soldiers. I recall that, when I went to Bosnia with my hon. Friend the Member for Stockton, South (Ms Taylor) we saw British forces of quite amazing professionalism. The Defence Committee said that the King's Royal Hussars had an immense versatility. They drove Challenger 1 tanks, which were then in operation, and Warrior vehicles. They were engaged in peacekeeping and inspecting ammunition sites held by various "Entity Forces", operated in a public order environment and were involved in many community-based projects, many of which we saw. Those are British professional soldiers, who are now, thankfully, well led and reasonably well equipped—unlike those during many previous periods and decades.

To go back even further, I shall cite a man who is not quoted particularly frequently by any hon. Member, but who admired the armed forces even more. I should like to indulge in citing one short verse of poetry. I see a Conservative Member starting to snigger. Hon. Members will know the author, whose words I endorse. He said:

"There'll surely come a day
When they give you all your pay
And treat you like a Christian ought to do.
But 'til that day comes round
Heaven keep you safe and sound
And Thomas here's my great respect to you."

That is Rudyard Kipling's "Ode to Thomas Atkins".

Those people deserve better than they have got from politicians over the past 200 years—an era in which they were led by men who purchased their commissions. Ability to lead was ignored; ability to pay was supreme. In the 18th century, a War Minister had previously been drummed out of the Army for cowardice. Regiments were frequently raised in times of war, but when the war was over, they were disbanded within days.

The Army was led by men such as the Duke of Cambridge, a relative of Queen Victoria and a man of stupefying conservatism who vehemently and successfully opposed almost every reform proposed by politicians in the House and elsewhere. I hope that we are now in an era when all that is well and truly over.

I remind hon. Members that, during the cold war, the British Army of the Rhine was, as one respected academic who gave evidence to the Defence Select Committee said, a "shop window" force. When we saw British efforts in the Gulf, noble though they were, and when we saw how difficult it was to run even Challenger 1 tanks on the sand, we realised what might have happened if the Army of the Rhine had been confronted by the massed armies of the Warsaw pact.

We must learn the lessons of the past. One lesson that we must learn and relearn is the critical importance of our relationship with the United States, and of our key membership of NATO. European defence institutions can supplement NATO, but they must never replace it. I hope that despite what, if I interpret it correctly, I read in *The Sun*—great newspaper though it is—I may reappraise what the Government are supposed to be saying. I hope that we never forget that lesson.

The strategic defence review was helpful. NBC—nuclear, biological and chemical—in-theatre defence is improving. It is important that we learn the lessons of Granby, and that we in the House support the continuation and refining of the concepts of readiness and deployability, and a joint rapid deployment force. It is right to support the establishment of a second logistical chain.

It is also important to have our own in-house sea lift capability. I hope that more will be done to enhance what is left of the British merchant marine, and that a decision will soon be made on the heavy-lift aircraft. Will it be a C17 or its equivalent? That would be a great addition to our heavy-lift capability. I hope that a decision will soon be made whether to stay with the plan for the future large aircraft, which is looking increasingly like the kind of mirage that one sees when walking in the desert, or to go in for something that the Royal Air Force can deploy reasonably quickly.

One of my hon. Friends was a little sceptical about British forces in Germany. I do not expect the Red army to come through the Fulder gap, but if we believe in the concept of rapid deployment, I should prefer substantial forces to be located in Germany rather than on this side of the channel.

I hope that the Minister will use every opportunity to improve our defence medical services. A great deal has been promised and, over the next few years, it will be time for that to be delivered. I also hope that the Government, and certainly the Defence Select Committee, will watch the new training cycle.

Over the years, the Defence Committee has inquired into a number of major procurement failures. I hope that smart procurement will at least diminish the likelihood of defence projects going hopelessly over budget, being hopelessly delayed or, when they are finally delivered to the Army, the Air Force or the Navy, failing to achieve the objectives that they were designed to achieve. One of the areas we shall look at is Bowman.

The Select Committee will explore what progress is being made on Gulf war syndrome. We are collectively anxious about what will happen in terms of the future of the Defence Evaluation and Research Agency. I am pleased to say that we will hold a public hearing on 2 December on a subject on which the Select Committee is unanimous, as is most of the House of Commons—we will take evidence from the Minister for the Armed Forces on the "consultation" that has been, or will be, undertaken on the Territorial Army. Whatever the Government say, the issue will not go away.

I hope that the Government have the good sense, belatedly, to do what the previous Government did under immense pressure—that is, to cancel a number of proposed mergers. It was difficult for Malcolm Rifkind to turn Government policy on its head, but I believe that it was done for the best of motives. I hope that there will be some add-back to our armed forces, and soon.

In conclusion, let me say that we have so much of which we can be proud about our Army and our armed forces. We have heard of cases of bad behaviour, drunkenness and brutality, but they involve only a tiny percentage of those who serve in our armed forces. These are young men and women—and some who are not so young—who work for a pay scale that most people would run away from. They work hours that any trade unionist would instantly organise a campaign against. In some parts of the world, they live in accommodation that pigs would be reticent about. Those people and their spouses—who face enormous strain—suffer, in some cases, public ridicule and indifference.

I do not wish to quote Kipling again but

"when the guns begin to shoot",

they are the "despised people" who fight. It is not us—we are safe and secure in our homes, protected by our armed forces. It is those men and women who go out and run the risk of death. We owe them an enormous debt, and we should hold them in immense admiration. It is incumbent upon us to provide properly for our armed forces, to give them proper training and equipment and to ensure that they are well led, and wisely led, at all levels.

Historically, we have been derelict in our duties. I hope that the strategic defence review will achieve what we all want to see, regardless of political affiliation—armed forces which we can afford and which, every now and again, abandon their peacekeeping operations and those activities that are not particularly violent so that we can test how wise we have been in equipping them. If we have been wise, they will perform their duties well and will be successful.

There have been times in our history when we have believed that there was no requirement for well-funded armed forces. When the crisis comes, men go off to fight wars in faraway places and suffer death from war and illness. Who is ultimately responsible for their plight? It is Governments and Parliaments. I hope that we shall serve our country and our armed forces to such a degree that, when they are called upon to put their lives to the test, we can say that we did what was necessary.

9.13 pm

Mr. Bob Russell (Colchester): Although we obviously ignore history at our peril, I wish to concentrate on the present and the immediate future. I must draw the Minister's attention to the fact that I represent one of the premier division garrison towns and, in addition to the soldiers, I represent their wives and families. There are approximately 3,500 troops and 5,500 wives and dependants in Colchester.

I want the Minister to organise a survey and a complete audit of married quarters. The previous Government, in one of the most wicked privatisations, disposed of Army housing stock in the build-up to the last general election. The Government and the Ministry of Defence have a responsibility. We have been discussing recruitment and retention: a high standard of accommodation for the families of those in the services, as well for single men in barracks, is of critical importance. I want an assurance that the Minister will arrange for a survey and audit of the state of married quarters.

Reference has been made to the future of the Territorial Army, and I certainly endorse all the sentimental reasons given for retaining a strong civilian-military link. I would argue the case for the TA, but it has to evolve to have a meaningful role for the 21st century. All that enthusiasm and voluntary effort can be put to good use, but it must evolve.

Recruitment could be encouraged through the Army cadets. It is all very well for the Government to say that they support the cadet movement, but its budget has been cut and is insufficient. If more money were put into the cadets, more young men and women would be encouraged to join and might well go into the armed forces. Although we have heard that recruitment is up on the figure that the Government inherited from the previous Government, I think that the Minister will confirm that the complement of the British Army is still more than 3,000 below what it should be. We must increase recruitment as well as retention, and giving the cadet movement a boost is one way to do so. The Government would thereby be following the spirit of the Home Secretary's attempts—in the Crime and Disorder Act 1998—to encourage young people to lead more meaningful lives and the efforts of the Secretary of State for Education and Employment to encourage people to lead fruitful lives. More investment in the cadet forces would contribute to those goals.

I wish to draw attention to 24 Airmobile Brigade. The rumours are flying around. Perhaps the Minister can confirm or deny them. It is reported that the airborne elements of 5 Airborne Brigade, including two Parachute Regiment battalions, will be grouped with 24 Airmobile Brigade to form 16 Air Assault Brigade. By 2005, the new brigade will include three Army Air Corps regiments. However, we are not being told where the new brigade will be located.

I suggest that there have been behind-the-scenes manoeuvres to ensure that the Parachute Regiment stays in Aldershot. If so, how will the new brigade operate if 24 Airmobile Brigade, as we now know it, is to remain in Colchester? It would be helpful if the Minister said that the 16 Air Assault Brigade would indeed be based in Colchester; at a stroke, that would remove the many rumours and provide stability for all the members of the forces who are to form the new brigade. I welcome the Secretary of State to the Chamber and hope that he, too, can assure the House that the 16 Air Assault Brigade will be based at Colchester.

9.20 pm

Mr. Owen Paterson (North Shropshire): The Army is undermanned by 5,000 people and turnover is high—15,000 people a year—yet we are planning to cut the number of people in the Territorial Army, the Regular Army's main source of recruitment. In 1990, the TA consisted of 85,300 people. The current figure is 56,000, yet a dramatic drop to 40,000 is proposed.

That ignores history over the past centuries and more recently—the TA infantry fought alongside regular regiments in the Falklands and 10 per cent. of the forces in Bosnia consisted of the TA. It also ignores the experience of our closest allies. In the USA, two thirds of

[Mr. Owen Paterson]

artillery units will, by the end of 1999, be from the reserves. The highest-scoring tank unit in the Gulf war was the 4th US Marine Reserve Tank Battalion.

The aim is to save money. The Reserves currently cost £360 million and the Territorial Auxiliary and Volunteer Reserve Association costs £80 million, which is 2 per cent. of the defence budget. The aim is to save £69 million, or 0.3 per cent. of the defence budget.

I give two examples of why I do not think the measure will save any money. One of the highly skilled TA units that is to be abolished is 198 Field Park Squadron, the Royal Engineers Territorial Army—80 per cent. of its members are ex-Regular Army or independent TA. The turnover is very low—only 5 per cent.—and the unit is tightly knit. I give only one example of its skills. A two-mile relief road was needed at the Cultybraggan training camp in Scotland. The challenge was funked by regular engineer units, but 198 took the job on, designing and planning the road in eight weeks flat. The unit estimates that it has saved the Ministry of Defence £500,000 over the past three years by taking on jobs that otherwise would have gone to civilian contractors.

My other example is the Royal Yeomanry, which is the Army's only nuclear, biological and chemical reconnaissance regiment—the Regular Army contains no counterpart. If the Minister reads paragraph 102 of the strategic defence review, he will see that the Royal Yeomanry is to be replaced by a Regular Army unit. That is daft—450 TA soldiers at £45 a day, together with the permanent staff, cost the taxpayer about £1.9 million, whereas Regular Army soldiers at £15,500 a year would cost an additional £7 million. That would not mean any quality gain, as the unit has recently passed the American chemical defence establishment assessment with flying colours.

The Secretary of State—I am delighted that he has joined our deliberations—frequently uses the word "relevant", but what about the poisoning on the Tokyo underground? The people in the Royal Yeomanry are excellent and should be retained—that would save money.

I see no savings, but I see long-term damage to the Army. Some 40 per cent. of Regular Army recruits come from the TA and the Army Cadet Force. The 1,700 ACF detachments across the country depend on the local TA unit for support. In a sparsely populated rural county such as Shropshire, one cannot close the training units and expect young people to travel. They simply cannot. No matter how hard one tries to create an integrated transport system, it is not possible in my constituency, which has 98 villages.

In a metropolitan area a training hall can be closed and young people can get public transport, but in a rural area that is not possible. The result will be the removal of military presence in a county such as Shropshire. The rumoured move to cut Shropshire down to one company of TA, based in Shrewsbury, will be disastrous. The TA will be spread far too thin and will simply not be able to cover the large geographical distances. Once the presence is gone, the footprint demanded by the Select Committee will be lost for good.

The move to lose the cap badge will be catastrophic. There is a rumour that the new regiment will be called the Midlands Regiment. Who on earth will be loyal to the Midlands Regiment? People are loyal to 5 Light Infantry, which has been there for hundreds of years, or to the Staffords. The regiments work like a family, and we have a record of success.

There is a real local role for the regiments: 18 to 22 per cent. of the LI are from the unemployed. A highly valued training framework is provided, giving civilians a role and a real purpose in life. I cannot express it better than my constituent, Major Hutchinson, who is chairman of the Ellesmere ACF detachment. He wrote to me in May, with some prescience, and said:

"It is my belief that ACFs, and very possibly CCFs, will be unable to continue their splendid youth work if the TA is cut back by anything like the scale suggested in the 'leaks' to the press. The Ellesmere ACF is the only organisation in the town, outside of schools, which offers opportunities for our young people to develop all of their non-academic talents to the full."

Furthermore, the TA has a real civil defence role. Unexpected events catch one behind the ear like a wet sandbag. That is a relevant phrase tonight, because as we have been talking the Rivers Severn and Vyrnwy have been rising. The brooks have backed up and in places they have breached. Two villages in my constituency, Melverley and Pentre, may be evacuated this evening. Shrewsbury may be inundated tomorrow.

This morning, I talked to Shropshire's county emergency planning officer, who was in the throes of debating whether to call in the military and put them on alert to help with the evacuation this evening. He said that it

"gave him great comfort as a member of the local authority to know that the TA is available at short notice, but that the option might not be available in a year's time."

According to a Ministry of Defence statement on 25 September, a tri-service equal opportunities training centre will be set up at Shrivenham to

"equip around 1,000 service and civilian equal opportunities advisers with the practical knowledge and skills needed to effectively advise and train their colleagues."

In a phrase that I do not understand, it said that

"the centre would encourage a 'top down bottom up' approach to equal opportunities awareness.

Bluntly, I do not believe that there is prejudice in the Army or the TA. London's TA regiments have a higher proportion of non-whites than exists in the general population. My right hon. Friend the Member for Cities of London and Westminster (Mr. Brooke) most eloquently stated that the Royal Green Jackets have more than 20 per cent. non-whites.

This is political correctness gone mad. When resources are scarce, every pound should be spent training and equipping our armed forces so that they are in such a state of readiness as to deter an aggressor. In the event that war breaks out, as it did in the Gulf, all the Army's efforts should be concentrated on preparing to rain down on our enemies every possible devastation, to bring conflict to a halt as quickly as possible.

As a glaring example, today we have welcomed the democratically elected president of Argentina. He would not have come here but for the bravery of our men in the Falklands. They went up Mount Tumbledown in the teeth of enemy bullets, not because they had been on an equal opportunities course but because they had been trained to go through the horrors of armed conflict: something that many of us, luckily, have never been through—I hope that

we will never have to. Training, skill and equipment win wars, not equal opportunities awareness. Shrivenham is an expensive disgrace. It is politically correct gesture politics. It is a self-indulgent distraction. Our armed forces are being put at risk while savage, far reaching and ill-thought-out cuts are made to our reserve forces.

9.29 pm

Mr. Keith Simpson (Mid-Norfolk): Once again, the debate on the Army has been wide ranging. We have been able to squeeze in some 15 speeches from Back Benchers, of whom, it will not surprise you to learn, Mr. Deputy Speaker, 11 have spoken out about the TA, and the majority have made the case for the Government to reconsider their proposals as outlined in the strategic defence review and in the pages of our press.

I welcome the commitment from the Minister for the Armed Forces to continue the three single-service debates. I think that we might profitably discuss how to focus those debates in future.

Eighty years ago today, British armies in France numbered 1.7 million men and women. On 28 October 1918, they were back almost to the positions on the Franco-Belgian border where the original British expeditionary force of 120,000 men—almost overwhelmingly regulars and regular reservists, although there were a few members of the TA—were deployed in August 1914. It is mind boggling because that is the largest group of armies that the British empire has ever deployed. We will never see their like again.

Eighty years ago tonight, the 2nd battalion, Manchester Regiment was preparing plans to cross a section of the Oise-Sambre canal. In the subsequent attempt, on 4 November, Lieutenant Wilfred Owen was killed. His parents received the news on the morning of 11 November as the church bells rang to celebrate the armistice. That is a world away from us today, but resonant with images, memories and traditions for today's generation and for the modern British Army.

A number of hon. Members have been at the reception given this evening by the British Legion. I associate myself with the comments of my hon. Friend the Member for Salisbury (Mr. Key) and other hon. Members about the British Legion's work and the work done by SSAFA—the Soldiers' Sailors' and Airmen's Families Association. I have the honour of being one of the parliamentary members of SSAFA's council.

All hon. Members who have spoken have emphasised the professionalism of the modern British Army, its very high reputation, and the stress and strain placed on today's families owing to overstretch and frequency of postings overseas—yet that is not new. What is perhaps new is the fact that service men and their families are no longer prepared just to accept it. Because they are volunteer armed forces, they will ultimately talk with their feet; so what Governments have to do is to make certain that, as far as possible, their time in the Army is made as fair as possible, and they have some idea of when their postings will take place. Alternatively, we have to restrict what we want to do with our armed forces.

It is not an either/or. This Government and previous Governments have attempted to square the circle. Yes, from 1989, Conservative Governments did cut our armed forces and I never heard a word from any of the then Opposition parties that we should maintain our armed forces at their former strength. I observed members of the then Opposition parties from the Box as a special adviser. And I did not hear them say that we should maintain our armed forces at that level.

Several hon. Members have referred to the British Army's contribution to the Gulf war. We were able to make that contribution because the British Army of the Rhine, the RAF Germany and the Royal Navy had a large enough critical mass. We should face the fact that the critical mass of our Army today imposes major limitations on what it can do. The positions outlined by the strategic defence review, of a one-shot deployment of a large division or of trying to maintain two brigades overseas at the same time, will be extremely difficult to sustain over any lengthy period without having to call up reserves or thinking about using large numbers of Territorial Army soldiers. I am sure that Ministers are only too well aware of that fact.

Our task is to hold the Government to account for the wide range of UK defence policy—financial resources, weapons, equipment, welfare and support facilities. Members of Parliament should also hold the Army to account for how it carries out its professional duties and manages itself as one of the great public services. I entirely endorse what the Chairman of the Select Committee said about not having had to serve in the armed forces in order to take a view on them. I did not agree with all that was said by the hon. Member for Loughborough (Mr. Reed), but he made a thoughtful contribution. However, the recent service in the Army of my hon. Friend the Member for Reigate (Mr. Blunt) helped him to make a forceful and powerful contribution to the debate.

We must consider the Army in the wide context of the strategic defence review. The SDR must in turn be considered against a 'real cut' in the defence budget. Ministers are aware of the enormous resource constraints. The debate about the Territorial Army is not just about making it modern and usable. Like other hon. Members, I have always argued that the TA cannot be set in aspic. It is too expensive to be a museum piece, and the men and women who serve in it would not want it to be one. We know from evidence to the Select Committee and from those involved in the Regular Army and the Territorial Army that cuts in the TA are funding the expeditionary role of the Regular Army, particularly its logistic chain.

That poses a major problem for the Minister of State. We are in a consultation period during which difficult decisions will have to be made. Either he will make hardly any movement, in which case there will be broken crockery when he speaks in the House, much of it broken by his own side, or he will make a major add-back which, unless extra financial resources are provided, will mean that money will have to come from the Regular Army. I suspect that that money will have to come from the logistic chain.

If we are to have an expeditionary force capability and to take part in real power projection during the next 10 years; and if, in the words of Admiral Fisher, we are to see the Navy firing the Army once again ashore as a giant shell, the crucial element will be the logistic chain. A month ago, I was fortunate enough to observe regular and territorial soldiers in one of the largest logistics exercises that the United Kingdom has ever held. I commend all the men and women involved, particularly

[Mr. Keith Simpson]

the commander of the support group, Brigadier Tim Cross. Logistics is not a boring area, because the logistic element precedes all others. Logistics operatives pass the fighting troops forward, and when the fighting troops are withdrawn, they are the last to leave. That is a major problem for Ministers to solve. I am afraid that, on the evidence so far of the financial constraints, and on what we have seen from the strategic defence review, the figures do not add up.

My hon. Friend the Member for Salisbury mentioned something that we have referred to time and again over the past 18 months in the debate on the SDR. Our military policy is suffering from a vacuum, if not a contradiction, in our foreign and security policy. Once again, why will Ministers not publish the foreign policy baseline?

The Secretary of State for Defence (Mr. George Robertson): Boring.

Mr. Simpson: They say that it is boring—but then why do they not publish it? It is the fundamental premise upon which the SDR is supposed to be based.

Several hon. Members mentioned the Government's disarray on European security policy over the past week. In the old Army expression, it is greatcoats on, greatcoats off; we do not know. That was reflected in some contributions from Labour Members.

There has also been disarray on foreign policy which may affect our arms exports. The disarray over our relations with Chile sends, to say the least, a strange signal to friends and allies, many of whom purchase arms from us for their self-defence and in respect of which there is a £5 billion balance in our favour that supports some 300,000 men and women in defence industry. The Government need to get their foreign and security policy well and truly thought out.

I support hon. Members on both sides of the House, in particular my hon. Friends the Members for Surrey Heath (Mr. Hawkins) and for Reigate, who mentioned the importance of the qualitative nature of our Army. To use crude military jargon, the British Army is a force multiplier. That force multiplier consists in the quality of all ranks.

I agree with the hon. Member for Greenock and Inverclyde (Dr. Godman) that the backbone of the British Army has been its non-commissioned officers, who have been outstanding in peace and war. They have usually managed to get a grip of officers in a way that no senior officer could. However, I am concerned that there was a touch of old Labour class warfare in this. There were some crude interpretations of British history—upper-class twits and so on. There are resonances here from the first world war; General Melchett comes to mind. *[Interruption.]* If the Minister of State's laughter is a reflection of his impression of British generals today, he is sadly misled. One of our major force multipliers is the quality of our senior officers.

It is perhaps unfair to pick out two or three but I highlight high-quality senior British officers such as General Sir Jeremy Mackenzie, who is about to finish as our Deputy Supreme Allied Commander Europe. He has made a major impact on the way in which NATO has operated in Bosnia. I have to pick out General Sir Rupert Smith, General Officer Commanding Northern Ireland, who is about to become Deputy SACEUR, the outstanding professional soldier of his generation and a man who has shown great physical courage. There is also General Sir Sam Cowans, who is, I think, the first member of the Royal Signals to reach the Army Board. He will be the first chief of defence logistics and will have to deliver the efficiency savings. He will find it challenging, to say the least.

I could run down the list from the generals to the brigadiers, colonels, captains and others. They are high-quality men; I hope that there will be more women. They are our force multipliers. I refer to women because I never served in the British Army—I married into it. No one has to preach to me about the role of women in the armed forces, or about what they can or cannot do.

The British Army has fine traditions. It is a real force multiplier. It is now down to what I think is a pretty low-level critical mass. The strategic defence review has configured the Army for an expeditionary force capability.

Financial cuts and the current downturn in the economy must call into question our ability to achieve the SDR's objectives. The Army is operating in a foreign and security policy vacuum. At present, the jury is out on the SDR: the jury being the men and women serving in the Regular Army and their families. On the TA, the jury is in and is delivering a massive vote of no confidence in the Government, who have not got their policy right in this crucial area. The Minister has a few weeks to address these problems.

As in so many areas of policy—education, health and welfare—the Government raised massive expectations, spinning widely and deeply, and now comes the pay off. There are no more excuses. In the next year, our service men and women will make a judgment about whether to stay or go. They are volunteers: they are not conscripts. We all want them to stay and carry out a worthwhile and vital job. It is a vital job because no other area of Government policy is as important as defence.

One of the Secretary of State's predecessors, Lord Healey, said that we cannot have hospitals and schools without defence. I fear that for the armed forces—to paraphrase Labour's election song—things may only get worse.

9.46 pm

The Parliamentary Under-Secretary of State for Defence (Mr. John Spellar): I pay tribute to hon. Members for their informed contributions to the debate. They were ample testimony to the value and importance that hon. Members attach to the Army and to those who serve in it, particularly for their professionalism, as was mentioned by the hon. Member for Mid-Norfolk (Mr. Simpson). However, the hon. Gentleman did not trust the judgment of the chiefs of staff on these matters, because he seemed to think that he had a better view than they did. He also seemed willing to spend far more money than I suspect the shadow Chancellor would consider prudent. We await some reconciliation of those views by the time we get to the debate on the Navy.

I shall have some difficulty covering all the points that were raised, so I shall write to colleagues. However, I must mention the Army equipment programme. The thorough scrutiny that was carried out during the SDR

strongly confirmed the overall direction of the Army equipment programme, in particular its emphasis on increased deployability, improved reconnaissance, surveillance, communication, information systems and longer range and precision for artillery. In turn, those capabilities are closely linked to the key SDR theme of exploiting new technology, especially information technology.

Following the SDR, the equipment programme will ensure that the Army continues to be well equipped to conduct the full range of operations identified in the review, from peacekeeping to high-intensity warfighting.

Two major initiatives within the SDR will help to improve the operational effectiveness and value for money of the Army equipment programme in the years to come. The smart procurement initiative will enable us to bring equipment into operational service with the armed forces more quickly, at lower cost, and with better performance. The creation of a fully integrated defence logistics organisation under a chief of defence logistics—rightly identified by the hon. Member for Mid-Norfolk as General Sam Cowan—will achieve better, more effective support for the services. Most importantly, these two initiatives—along with others in the SDR—will improve the military effectiveness of the armed forces when deployed on operations. In parallel with the SDR, we have taken a number of key decisions on major equipment projects, while other projects have achieved significant milestones over recent months.

The SDR confirmed the continuing requirement for a main battle tank as a fundamental capability to enable the Army to conduct both modern conventional warfare and peace support operations in spite of some of the press reports to the contrary during the process of the SDR. We are, therefore, procuring 386 Challenger 2 tanks, to equip six strong armoured regiments of 58 tanks each for operations. I am equally pleased to say that Challenger 2 successfully met its in-service date on 30 June, with deliveries of tanks to the Royal Scots Dragoon Guards completed ahead of schedule.

The hon. Members for Salisbury (Mr. Key) and for Portsmouth, South (Mr. Hancock) both raised queries about the tank transporter. I am advised that the transporter currently in service, the Scammell Commander, is capable of taking Challenger 2.

The SDR also confirmed the importance of the Apache attack helicopter as a key battle-winning equipment. The project is on course to meet its in-service date of December 2000, and the first flight equipped with Rolls-Royce 322 engines took place in the United States in September. The attack helicopter has been selected as one of the pilot projects for smart procurement. The hon. Member for Colchester (Mr. Russell) would not expect me to give a definitive decision tonight on that, but we shall make that announcement as soon as possible.

We have made important decisions on two key reconnaissance and target acquisition capabilities. In March, jointly with France and Germany, we placed a contract for production of the COBRA counter-battery radar system, which will allow hostile artillery to be accurately detected, located and attacked at long ranges. COBRA will provide a vital capability both for war fighting and for peacekeeping operations such as Bosnia. In July, we announced our decision to undertake a programme of work to enhance the Army's tactical reconnaissance capability. This will include studies into unmanned air vehicles, as well as participation with the United States in the TRACER—as it is properly known—programme to provide a highly mobile, stealthy manned battlefield reconnaissance capability.

In that context, I must say that I was surprised not so much at the fact that the hon. Member for Beckenham (Mrs. Lait) did not know the title of the programme, as at her dismissive comments of the programme as toys for boys. That was rather reminiscent of the comments from the Scottish nationalist hon. Member for Perth (Ms Cunningham) about equipment programmes as the result of a mid-life crisis. We expect such comments from the Scottish nationalists, but we are slightly surprised to get them from the Conservative party. No doubt, the Front-Bench colleagues of the hon. Lady for Beckenham will have a word with her about that sort of attitude.

We expect to make further major decisions on critical new reconnaissance and communications capabilities during the coming year. ASTOR—the airborne stand-off radar—will be a joint Army-RAF long-range theatre surveillance and target acquisition system, required to operate in all weather, by day and night. BOWMAN will provide a secure communication system, for both voice and data, for all elements of the three armed services engaged in the tactical land battle. BOWMAN will also provide an essential part of our joint battlespace digitisation initiative, to maximise the operational benefits of improved communication and information systems.

We are also taking action to improve the Army's indirect fire and air defence capabilities. Building on the success of the MLRS rocket system, which played an important part in the Gulf War, in July we entered a programme with the United States, France, Germany and Italy to develop a new guided rocket, with improved range, accuracy and effectiveness. In August, we announced our decision to join the United States in a programme for development of the Marconi marine land and naval systems ultra lightweight field howitzer. Our participation in this programme will provide information to inform future decisions on artillery weapons systems. In addition, we have recently approved, subject to the satisfactory conclusion of contractual negotiations, an order for additional launchers and missiles for the high velocity missile close air defence system.

In April we announced our intention, subject to satisfactory conclusion of contractual negotiations, to proceed with development and initial production of MRAV, the multi-role armoured vehicle, to replace some of the Army's aging in-service armoured utility vehicles. That is a joint venture with France and Germany, and we hope to sign a contract soon, together with Germany and France, for that product.

In September, we placed a contract for the area weapons effects simulator, which will complete the Army's tactical simulation strategy.

In summary, key decisions have been taken and significant progress made on a number of major national and collaborative projects involving either European or US allies, or both. Those equipments are part of a coherent programme that will reinforce capabilities whose importance was confirmed in the SDR and ensure that we have an Army that is equipped, trained and ready to carry out the tasks that the SDR identified.

[Mr. John Spellar]

I turn now to points raised during the debate. If there is time, I shall return to the subject of the Territorial Army. The restructuring of Land Command and its impact on York was raised by my hon. Friend the Member for Barnsley, East and Mexborough (Mr. Ennis) and the hon. Member for Vale of York (Miss McIntosh). We emphasise that the purpose of the Land Command restructuring is to make the Army more effective and efficient, so that it can meet the challenges of the 21st century. That is in the forefront of our minds as my hon. Friend the Minister for the Armed Forces makes his final deliberations on the future district structure of the Army. I can assure hon. Members that we hope to be able to make the relevant announcements shortly.

Mr. Menzies Campbell: In his consideration of those important issues, will the Minister take account of the political requirement to ensure that, at a time of constitutional change in the United Kingdom, the Army in Scotland remains commanded in Scotland?

Mr. Spellar: I am absolutely certain that my hon. Friend will take account of a broad range of factors during his deliberations.

My hon. Friend the Member for Walsall, South (Mr. George) and the hon. Member for Colchester mentioned accommodation and its importance to recruitment and retention. My hon. Friend the Minister for the Armed Forces made clear when he opened the debate the Government's commitment to the people who serve in the armed forces. Part of that commitment relates to their living accommodation.

The liaison team that we established during the strategic defence review to talk directly to service and civilian staff found the low standard of some of our single living accommodation for service personnel to be a significant cause of complaint. The Armed Forces Pay Review Body has also criticised the Department on that issue in the past. As a result, we are taking action to address the single living accommodation problem, and plans are now in place to raise the standard of single living accommodation across all three services over the next few years. That ties in with the reforms I announced earlier this month about relations with the construction industry.

My hon. Friends the Members for Loughborough (Mr. Reed) and for Stockton, South (Ms Taylor) and the hon. Member for Portsmouth, South mentioned Gulf war and nuclear test veterans. On several occasions, my hon. Friend the Minister for the Armed Forces has answered questions and demonstrated the Government's continuing commitment to addressing the concerns of Gulf veterans openly, sympathetically and seriously. We have had several debates on the subject of nuclear test veterans. I urge hon. Members who raise the issue to look at the scientific evidence produced by the highly respected National Radiological Protection Board.

The issue of ethnic minorities and their service in the armed forces was raised by my hon. Friends the Members for Birmingham, Hall Green (Mr. McCabe) and for Loughborough, the right hon. Member for Cities of London and Westminster (Mr. Brooke) and the hon. Member for Portsmouth, South. My hon. Friend the Member for Hall Green will remember the introductory course we both attended at a south Birmingham college.

I have to say—particularly to the hon. Member for North Wiltshire (Mr. Gray), who used the words "touchy-feely", and the hon. Member for North Shropshire (Mr. Paterson), who referred to political correctness—that there are two key drivers behind our policy in respect of ethnic minorities and equal opportunities in the armed forces. First, we want to ensure that our armed forces have the pick of the best youngsters across the board, without regard to irrelevant considerations. Only then can we achieve proper operational effectiveness. Secondly, the policy is not about political correctness or some transatlantic fad, but about the good, old-fashioned British virtues of decency and fair play. That is what we have done and what we shall continue to do. We regret that Conservative Members seem to feel that there is some political advantage in trying to carp on the matter. However, such carping demeans them far more than it undermines the process that we are undertaking.

The hon. Member for Surrey Heath (Mr. Hawkins) and my hon. Friend the Member for Loughborough mentioned fitness in the services. We are in discussions with the Minister for Sport on that important matter. We have also devised new fitness and training regimes, to ensure that people get up to the right fitness level and are able to participate fully in the services.

This has been a timely debate. The Army has embarked on a process of change, making it a modern force that is capable of meeting our future defence needs more effectively. We have outlined how we are to achieving that goal with both equipment and people. Our policy is good for both the Army and the country, and we are proud of our part in it.

It being Ten o'clock, the motion for the Adjournment of the House lapsed, without Question put.

PETITION

Social Services (Worcestershire)

10 pm

Mr. David Lock (Wyre Forest): I wish to present a petition signed by 1,500 of my constituents who are concerned about the preservation of vital services provided to them by the social services department of Worcestershire county council, including the services provided to the many people in my constituency with learning difficulties.

The petition states:

To the House of Commons.

This is a petition from the Wyre Forest Committee Against Cuts.

We do not think the amount of local government money settled upon for the Worcestershire County Council is a fair amount. It directly affects the quality of services we use.

The petitioners therefore request that the House of Commons urges the Secretary of State for the Environment, Transport and the Regions to re-examine provision for social services in Worcestershire.

And the petitioners remain etc.

The petition was organised by Mr. Chester O'Neil, of Kidderminster, whom I met earlier today in his wheelchair. I am sure that the House will wish to take very seriously his concerns and those of all users of those vital services.

To lie upon the Table.

Leasehold Valuation Tribunals

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Betts.]*

10.1 pm

Mr. Barry Gardiner (Brent, North): Leasehold valuation tribunals, or LVTs, were originally introduced to provide a quick, affordable and effective means of resolving disputes between landlords and leaseholders. Introduced first to hear valuation disputes in cases of leasehold enfranchisement, their remit was extended in 1986 to hear cases involving service charges and management. A knowledgable panel to hear the case, and no power to award costs but a fixed fee of up to £500, gave leaseholders the hope that justice would come swiftly and cheaply, without the need to go through the courts, with all the attendant costs and delays.

Sadly, that hope has since turned very sour. Joan South—one dedicated and determined campaigner—recently said:

"The Leasehold Enfranchisement Association toiled for years in an attempt to make the LVTs a success. I personally attended virtually every single tribunal hearing for the first three years after the 1993 Act had become law and helped dozens of tenants prepare their cases."

She goes on:

"We . . . no longer believe that what is happening is capable of delivering justice."

Those who know Joan South, as I know my hon. Friend the Minister does, know very well that she is not a woman who gives up lightly. Why, then, has she given up on the LVT system?

It is said that justice delayed is justice denied. In just such a way, justice is being denied to literally hundreds of leaseholders. In London alone, for the 12 months from 1 September 1997 to 31 August 1998, there were 331 applications for service charge LVTs. As at 23 September 1998, the total number of cases heard was only 29. The number of decisions handed down was 11. Yesterday, I was told by an applicant that he had been advised that his case would not be heard until 2000, as there was an 18-month backlog. The LVT is not quick, but is it affordable? Mr. Rimba does not think so.

In a service charge case in which the LVT found that the landlords had overcharged approximately £3,000, Mr. Rimba ended up paying £5,000 towards the landlords' costs. Even though the landlords had previously been found guilty in the courts for not supplying section 20 details to support the service charge accounts, and, indeed, were fined for that failure, and even though that failure had rendered it impossible for Mr. Rimba to ascertain the exact instances of overcharging in the service charge accounts, the LVT, chaired by Mrs. Goulden JP, determined that, because it had

"found in favour of the Applicant in respect of certain matters of contention between the parties, the Applicant was entitled to expect the service charge account to be limited to reflect this".

The LVTs were introduced with no powers to award costs; they can set only a fixed fee of up to £500.

The decision that I have just cited caused disbelief and bewilderment among professionals and leaseholders alike.

[Mr. Barry Gardiner]

Peter Haler, the chief executive of LEASE, a leasehold advisory service, said:

"What we don't understand at all is why the Tribunal allowed the £5,000 at all. Normally a 20C order will delete recharges completely."

Allowing the costs to be added to the service charge not only sets a dangerous precedent, but means that many leaseholders who might have sought redress from an LVT will have been discouraged from doing so because it is too expensive. It is not worth while for a leaseholder to fight a landlord who rips him off to the tune of £1,000 if it is going to cost him £2,000 to get justice.

Earlier this month, at a tribunal at which a tenant represented himself and 177 of his fellow leaseholders, he found ranged against him an eminent Queen's counsel, an assistant barrister and a solicitor. Such representation at an LVT, which is supposed to be a quick, efficient and cheap way of getting justice, is an abuse of its raison d'etre. It is often the wealthy landowner who can afford to employ the legal battalions; the leaseholder more often cannot.

The LVT is not affordable, but is it effective? During a previous late-night encounter on this topic in the House last December, for which my hon. Friend the Minister and I can claim anorak status, my hon. Friend informed me:

"a leasehold valuation tribunal is not an arbitral tribunal. That means that its decisions must be confirmed by a court before they can be enforced."—[*Official Report*, 19 December 1997; Vol. 303, c.636.]

Indeed, Lady Wilson, one of the chairs of the panels, has complained of the pre-trial reviews in the Maples Bury road case in August this year:

"We do not have the teeth to enforce adherence to the prescribed timetable."

The pre-trial review should be one of the most important and helpful parts of the whole process. It is supposed to enable one of the panel to establish the outlines of the dispute and to bring about disclosure of the relevant documentation by a particular date before the hearing. In fact, it is now rare for both parties even to attend. Frequently, critical papers are not provided, yet the tribunal has no sanction that it can apply.

The frustration that can result can be illustrated well by reporting what happened in the Rubypoint case. A notice was sent to the managers at Rubypoint that an application to appoint a new manager had been lodged with an LVT. That notice was ignored. A further notice informing Rubypoint of the pre-trial review date was also ignored. Mr. Hyam, Rubypoint's director, failed to attend. The notice for the tribunal was similarly ignored. The hearing was delayed, waiting for Mr. Hyam, who eventually turned up half an hour late, with none of the relevant papers.

The LVT was held in contempt, and it could not do a thing about it. The decision was one of the most astounding that have yet been heard in all LVTs. It was one in which a Miss Stella Evans was heard in the South South-Eastern LVT. She had applied to the LVT for a change of manager because her current manager, Mr. Hyam of Rubypoint, had been gaoled for four years for forgery and fraud for matters relating to the management, or should I say mismanagement, of Miss Evans's block. Miss Evans went to the LVT to ask for residents to be appointed as managers of their own block instead of Mr. Hyam's company, Rubypoint.

There was amazement at the decision. The chairman, a lawyer, Mr. Robert Long, ruled that the residents could manage, but would have to enter into a contract with Rubypoint to do so. In arriving at that verdict, the chairman clearly demonstrated that he had no idea of the difference between a manager and a managing agent. He had demanded that the tenants had to contract with Rubypoint, which had defrauded them as its agent, if they were to be allowed to manage their own block. Of course, he could not compel Rubypoint to contract with the manager, because it would be only the agent. In such a case, the judgment was entirely unenforceable.

Commenting on the decision, the Leasehold Advisory Service said:

"when a tribunal appoints a new manager, the landlord's management powers are removed and a contract with him therefore is inappropriate."

Other leading commentators were less diplomatic. The barrister, Mr. Michael Daiches, wrote in a letter to Peter Hayler, the chief executive of the Leasehold Advisory Service:

"the LVT appears to have gone completely haywire."

The LVT system, as it stands, came in with the hopes of literally thousands of oppressed leaseholders bearing down upon it. It came in with the expectation that it would be quick, affordable and effective. It is none of those things. It is not quick, it is not affordable and it is not effective as it stands. I urge the Government to do all they can to ensure that this deficiency is remedied as swiftly as possible, so that justice can be brought back to the people for whom it was originally intended.

10.13 pm

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Mr. Nick Raynsford): I congratulate my hon. Friend the Member for Brent, North (Mr. Gardiner) on securing the opportunity to raise important issues relating to the work of leasehold valuation tribunals. He has been assiduous in raising concerns about leasehold problems and campaigning for reform. I should reassure the House at the outset that the Government want to see thorough and effective reform, and we are determined to achieve that objective. I know that some have said that we are not moving as fast as some leaseholders would like, but the legacy of the past few attempts at leasehold reform provides, as my hon. Friend is only too well aware, a salutary reminder of the consequences of misguided and ill-considered legislation, particularly when that legislation is introduced in a hurry. It is more important to get the legislation right for the long term. We intend to publish a consultation paper on radical proposals for reforming the structure of leasehold in the near future.

I am pleased that my hon. Friend has raised several concerns about the operation of leasehold valuation tribunals, although he did not help his case by presenting an entirely negative view of their work. His examples require careful consideration and possibly changes to the current structures, but there are many other examples in which leasehold valuation tribunals have played an important role in assisting leaseholders who otherwise would have been unable to secure justice.

Only a few months ago, my hon. Friend was pressing the Government to ensure changes to the law that would make possible the transfer of more cases from the courts

to leasehold valuation tribunals, to give people easier access to swifter and cheaper justice. Therefore, while there are grounds for concern, the picture is not as bleak as my hon. Friend has painted it this evening.

Leasehold valuation tribunals were set up to provide a mechanism for resolving disputes between leaseholders and landlords. Initially, their main function was to resolve disputes over the price to be paid for acquiring the freehold of leasehold houses. Following the enactment of the Leasehold Reform, Housing and Urban Development Act 1993, their role was extended to cover disputes over the price payable for collective enfranchisement of flats and for new leases.

The Housing Act 1996 gave tribunals a wider role from 1 September 1997. Leaseholders or landlords can apply to a tribunal for a determination of the reasonableness of charges for services, repairs, maintenance, insurance or management. That can include costs that have already been incurred and amounts payable before costs are incurred. Leaseholders who are having severe problems with the management of their building can apply to a tribunal for the appointment of a new manager. The changes were made to ensure that some of the defects in earlier legislation, such as the procedures under the 1987 legislation for the appointment of a manager, which had not proved successful, were replaced with more accessible systems.

The tribunals are independent of the Government, and are impartial. They normally consist of three members, including at least one lawyer and one surveyor or valuer. Hearings are semi-formal, and evidence is not given on oath. They are intended to provide a simpler alternative to court proceedings. Applicants do not have to be represented by a solicitor or barrister, although either party can be so represented if they wish. Most importantly, the tribunals do not have the power to award costs, so leaseholders do not face the risk of a large bill if they lose.

I shall try to address the specific points raised by my hon. Friend in turn. He started by describing the time taken to process leasehold valuation tribunal applications. We are well aware of the concerns about the time taken for cases to be determined, but that is unavoidable to an extent, given the need to ensure that both parties have an adequate opportunity to prepare their case. There is also the simple fact that, following the 1996 Act, leasehold valuation tribunals have received a substantial number of additional cases, increasing their work load.

It is too soon to draw firm conclusions about the ability of the system to cope with the additional work load that has been created as a result of the 1986 Act. We expect the time taken by tribunals to deal with cases to reduce over time. We are not in any way complacent about that; unacceptably long delays are involved in the handling of cases. The London panel is looking to streamline the procedures in the light of experience, and so speed up the process.

We are also looking to recruit more expert and lay members to tribunals in anticipation of an increasing number of applications from leaseholders. To give my hon. Friend an idea of that, I can tell him that 37 new panel members have been appointed in the past 12 months—10 of them in London. The Government are concerned that members of the panel should be more representative of all sections of the community, so we have placed particular emphasis on encouraging the recruitment of women and members of ethnic minorities. Of the 37 new recruits, 11 are women and four are from ethnic minorities.

A further possible 40 candidates for panel membership are under consideration by the panels. Advertisements have also been placed for both lawyer chairmen and valuers. Advertisements for valuers recently appeared, and we expect interviews to be held at the end of November or early in December. We also expect appointments of new lawyer chairmen to be completed by the end of November. All those measures should help to tackle the problems that my hon. Friend has described, although, as I have stressed, we are not complacent. We are monitoring the situation closely, and planning a wider review of the rent assessment panel structure, of which tribunals are part.

As my hon. Friend will appreciate, panels have two separate roles. One is in respect of rent assessment by rent officers. Panels act as review panels—appeal bodies—against rent officer decisions. Work load in that area has declined as the number of regulated tenants who are subject to a rent officer determination of fair rent has been reducing. There are complex issues to ensure that we have sufficient people to cope with the tribunals' different responsibilities. The matter will be kept under close review.

My hon. Friend referred to several cases. I cannot comment on individual cases, but I shall briefly refer to issues arising from two of the cases that he has highlighted. The first is of Rimba *v.* Tennyson and Stavrou. Leasehold valuation tribunals have a discretion to make an order on such terms as they consider just and equitable, restricting the right of a landlord to recover legal costs incurred through appearance at a leasehold valuation tribunal hearing, where the terms of the lease allow the landlord to do so. There is no automatic right to an order precluding any cost recovery by that means, but we shall be looking at the issue as part of our broader monitoring of the leasehold valuation tribunal regime.

My hon. Friend mentioned costs. I am not convinced that leasehold valuation tribunals are not affordable. The purpose of setting a fee was to make it possible for leaseholders to apply, but to discourage frivolous applications from, for example, people who are simply seeking to delay payments of reasonable sums. The maximum fee is £500. It is often possible for leaseholders in the same block to share the costs of a single application, thereby substantially reducing their own liability.

I accept that the level of fees may discourage some applications. We have been particularly concerned about anti-competitive insurance arrangements, where the level of fee required to take the matter to a leasehold valuation tribunal may be disproportionate to the leaseholder's potential saving. We intend to address that issue in our forthcoming consultation paper on leasehold issues.

My hon. Friend also referred to the difficulties that some lay applicants who are unrepresented may encounter when confronted with landlords represented by several lawyers, possibly including Queen's counsel. One of the objectives of the leasehold valuation tribunal regime is that proceedings should be reasonably informal, so that leaseholders can appear in person without the expense of professional representation.

[Mr. Nick Raynsford]

We certainly expect the leasehold valuation tribunals to treat people fairly and impartially, and not to allow their judgment to be influenced in any way by the presence of legal representatives on the other side. As I have said, one reason why the transfer of cases from the courts to the leasehold valuation tribunals was favoured was to allow for more informal hearings, with less risk of leaseholders being intimidated by deep-pocketed landlords who can afford expensive legal representation. We certainly want leasehold valuation tribunals to ensure real fairness between the parties in that respect.

My hon. Friend referred to the case involving Stella Evans and Rubypoint. Again, I cannot comment on an individual case, especially as I understand that, in that case, an application for a variation of the tribunal's order has been made. However, we are aware of the broader concerns about the way in which some tribunals are handling applications for the appointment of a manager, and I can assure my hon. Friend, and the House, that we want tribunals to establish workable arrangements in what can be a confrontational situation. The issue is not straightforward, and we intend to address it in our forthcoming consultation paper.

I hope that what I have said has assured my hon. Friend and the other hon. Members here that the Government take seriously the question of equity in the relations between landlords and leaseholders. We have an ambitious programme of reform, which we shall outline in the consultation paper; in the meantime, we shall examine closely the way in which leasehold valuation tribunals discharge their responsibilities.

I entirely accept that there are some difficulties associated with the novelty of the experience for leasehold valuation tribunals taking on work in areas in which they have no previous experience, and with the volume of cases being brought to their attention.

Difficulties may occur as a result, but we are determined that the leasehold valuation tribunal system will develop so as to be able to respond sympathetically and successfully to the new challenges that it faces, and to ensure that leaseholders and landlords get swift and effective justice at a reasonable price. We shall do all we can to ensure that the tribunal system meets its intended objectives.

Question put and agreed to.

Adjourned accordingly at twenty-seven minutes past Ten o'clock.

House of Commons

Thursday 29 October 1998

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

PRIVATE BUSINESS

BODMIN MOOR COMMONS BILL *[Lords]* (*By Order*)
Order for consideration, as amended, read.
To be considered on Thursday 5 November.

ALLIANCE AND LEICESTER PLC (GROUP REORGANISATION) BILL *[Lords]* (*By Order*)
Order for Second Reading read.
To be read a Second time on Thursday 5 November.

Oral Answers to Questions

TRADE AND INDUSTRY

The Secretary of State for Trade and Industry was asked—

Exports (North-east)

1. **Mr. Peter Atkinson** (Hexham): When he plans to meet business leaders in the north-east to discuss export prospects for the region. [55050]

The Minister for Trade (Mr. Brian Wilson): On 9 October, I launched a nationwide "listening to exporters" tour with a meeting in Glasgow and will visit Birmingham, Manchester and the south-east during December. I also intend to hold a similar meeting in the north-east, where I hope to meet a number of leading industrialists and exporters, including Michael Stephenson of Helena Biosciences and Peter Joliffe of Loblite Ltd., who is also chairman of the North East of England Export Club, which has some 600 members.

Mr. Atkinson: I predict that the Minister will have an ear bashing when he arrives in the north-east. The exporters will complain that the strong pound, high interest rates, new Labour taxes and new Labour regulations are destroying their businesses. Is he aware of yesterday's report by the Northern Development Company, which showed that, in the north-east, two jobs were being lost for every one created? What does that mean for the promises that Labour made before the election? What sort of new deal is that for the people of the north-east?

Mr. Wilson: I am not exactly astonished that the hon. Gentleman chooses to look on the gloomy side of everything, but I refer him to the fact that, in the past two months alone, 5,000 new jobs have been announced in the north-east, including 1,500 in manufacturing industries. I draw his attention to the success of companies such as Solarsolve Marine in South Shields, which has just won the export award for smaller businesses. If he does not find that company—it will probably be away successfully selling its products—he could go to Immunodiagnostic Systems Ltd. of Bowden, NWC Precision Engineers Ltd. of Stanley or Eclipse Translations Ltd. of Alnwick, which are all major export success stories.

The hon. Gentleman must be well pleased with the fall in unemployment in his constituency since the general election. Ear bashings are always welcome, as they are part of the process of dialogue, but most sensible people can see the wider story—they know the world circumstances as well as the success stories in this country that are countering such difficulties.

Mr. Jim Cousins (Newcastle upon Tyne, Central): My hon. Friend should take no lessons from the Conservative party, which, in 1981–82, destroyed a third of the north-east's manufacturing jobs in 18 months. Will he respond positively to the competitiveness agenda recently put forward by business, enterprise and representatives of employees in the north-east, so that the north-east—as the region that exports more per head than any other region of Britain—can continue its splendid exporting record and take its good exporting tradition right down to small and medium enterprises in the way that he has described, with a robust interventionism?

Mr. Wilson: The positive and constructive note struck by my hon. Friend is much more representative of the spirit of the north-east than is the carping of the hon. Member for Hexham (Mr. Atkinson), who I think is the only Tory Member left in the region, which tells its own story about what happened before the general election. Unemployment has continued to fall, but we face difficult exporting conditions. Perhaps the hon. Gentleman thinks that we can be immune from a world situation in which, for example, exports to the Philippines and Thailand have dropped by three fifths, to South Korea and Malaysia by a half and to Japan, Singapore and Indonesia by more than a fifth. Those figures are not a result of circumstances in the north-east; they are a result of circumstances in Asia, from which we are not immune. We all have to work that much harder and be that much more competitive, and many companies in the north-east are meeting that challenge. The Government will continue to respond to the message of my hon. Friend about constructive dialogue with everyone involved in industry and job creation.

Mr. Tim Boswell (Daventry): Has the Minister, who has had much to read in his new job, had time to look at the *Anglo-Portuguese News*, which reported on 1 October that, in the same month as Siemens closed a plant in the north-east, it opened a plant in Evora in Portugal with 400 new jobs, specifically on the grounds of labour costs? The export from the north-east has been jobs.

Will the Minister ask the Secretary of State and the Prime Minister, who are both north-eastern Members, how long they intend to sit here like local Neros, fiddling while an estimated 16,000 manufacturing jobs are to be lost in the region in the year to come?

Mr. Wilson: I must confess that I have read only the English version of that report. The lesson that I would draw from it is that it refers to a different product, different jobs and, presumably, a different system of financial support. If the Tory party is still sending out the message that we can attain immunity from world economic circumstances by some mystical process if we cut wages and conditions to the bone, it will receive exactly the same answer from the whole country as it received from the north-east at the general election.

Renewable Energy

2. **Mr. Cynog Dafis** (Ceredigion): What plans he has to increase the target set for renewable energy output in 2010. [55052]

The Minister for Competition and Consumer Affairs (Dr. Kim Howells): We undertook in our manifesto a commitment to a new and strong drive to develop renewable energy sources. As a first step, my hon. Friend the Minister for Energy and Industry announced the fifth and largest non-fossil fuel obligation, or NFFO 5, order of 1,177 MW on 24 September 1998.

For the future, we are reviewing what would be necessary and practicable to achieve 10 per cent. of the United Kingdom's electricity needs from renewables by 2010, and what contribution new and renewable energy technologies might make to future greenhouse gas commitments.

Mr. Dafis: Does the Minister agree that, as the climate change conference in Buenos Aires approaches, renewables must become the main source of energy supply in the UK—well above the 10 per cent. target—as a central part of the climate change strategy? Will he try to convince the Chancellor that it is terribly important that the renewable energy review be published soon, to give us a stable framework for investment, economic development and jobs? There are tremendous opportunities that we simply cannot afford to miss. Specifically, does he agree that we need to unlock the mechanisms for bio-energy, which could make an important contribution to the revitalisation of rural economies and to farm diversification, which is especially important at the moment?

Dr. Howells: Discussions have taken place between officials in my Department and in other Departments—the Ministry of Agriculture, Fisheries and Food, for example—to consider the possibility of developing the new energy crops. The thought of hard-pressed farmers in the hon. Gentleman's constituency and in mine being able to supplement their incomes by growing energy crops and helping to combat greenhouse gas emissions is extremely attractive. I am confident that we will publish the review shortly and that there will be a full debate on the future of renewables. Whether we can produce a majority of our energy via renewables is another matter. Merely to reach the 10 per cent. target we have to produce 5 GW of electricity, and if that means covering Wales in windmills, I, for one, will not have it.

Mr. Gareth R. Thomas (Harrow, West): My hon. Friend will be aware of the European Commission's interest in renewable energy output. Will his Department work with our European partners to consider the barriers to renewable energy output that are created by some of the European mechanisms? Can he assure me that the previous Government's cuts in renewable research funding have been reversed?

Dr. Howells: My hon. Friend the Minister for Energy and Industry has certainly reversed those cuts. I am absolutely confident that this vital research will be carried out and that we will become the driving force in Europe for renewables. We have great resources. We have ample opportunity, for example, to develop offshore wind generators, and I am sure that that is what we will do. I am extremely interested in the idea of biomass and energy crops. There is a great future for that in this country.

Mr. Richard Page (South-West Hertfordshire): The NFFO 5 round is welcome, as is anything that can give greater opportunity for renewables. Does the Minister not agree, however, that the problem is not the size of the round but the lack of success of the projects that have been initiated? Of the bids accepted, perhaps less than 50 per cent. have gone through to produce renewable energy. Would the Minister consider mechanisms whereby the bids can be promoted up the scale on the basis not simply of cost but of the projects' chances of success?

Dr. Howells: The hon. Gentleman makes an important point. It is absolutely vital both that there is a concept and that we look carefully at the delivery systems. With wind power, as happens all too often, what looked like a viable scheme was smashed apart off the Scottish coast and suddenly it became wholly unfashionable. We will get nowhere with that sort of short-term view. The hon. Gentleman is right to say that that the research and development element is extremely important, but the entrepreneurial element is important, too. We must consider that carefully.

Dr. Alan Whitehead (Southampton, Test): I understand why the Minister does not wish to cover Wales with windmills, but has he any plans to develop offshore wind power? Has he received any representations on that?

Dr. Howells: I understand that my hon. Friend the Minister for Energy and Industry has received a good many representations on projects for looking at offshore wind generation. After all, we have plenty of resources for it. There is plenty of wind around. There is wind in other quarters, too. I have often thought that the most effective bit of generation would come if we could ever wire up the Chamber: we could probably keep a large part of London going.

EU Structural Funds

3. **Mr. Andrew George** (St. Ives): What assessment he has made of the prospects for securing objective 1 status for United Kingdom regions in the next round of negotiations on EU structural funds. [55053]

The Minister for Small Firms, Trade and Industry (Mrs. Barbara Roche): On the basis of the Commission's proposals and the latest Eurostat figures, it appears likely that a number of UK areas will be eligible for objective 1 status. Detailed negotiations of the regulations are currently under way between member states and the Commission. The Cardiff Council set a deadline of the end of March 1999 for agreement on the Agenda 2000 proposals.

Mr. George: I thank the Minister for her reply. I am sure that she is aware just how anxious are the regions, which have to put together the programmes and the programming documents, that those matters should be brought to a conclusion and objective 1 regions confirmed as soon as possible. Can she confirm that the Secretary of State is as enthusiastic as his predecessor was to bring those matters to a conclusion; that she will meet a delegation from Cornwall, as requested by the hon. Member for Falmouth and Camborne (Ms Atherton) recently; and that for regions such as Cornwall and the Isles of Scilly, this matter will be given the highest priority prior to the Dresden conference next year?

Mrs. Roche: The hon. Gentleman knows how hard the Government have been fighting the United Kingdom case on structural funds. I am not sure whether the hon. Gentleman was present for last week's debate on this subject, but, during that debate, all parties congratulated the Government and the Secretary of State on their tough stance. I can assure the House that the Government will do all that we can to get the fairest possible outcome for the UK and all its regions.

Mr. Ben Chapman (Wirral, South): Does my hon. Friend agree that, although much progress has been made on Merseyside, gross domestic product per capita still remains at three quarters of that of Europe as a whole? Does she therefore agree that the continuation of objective 1 status is essential for that region and that the same applies with assisted area status for the whole of Merseyside, including the Wirral?

Mrs. Roche: As regards structural funds and objective 1 status, the figures are encouraging for Merseyside. The House will know that, on assisted area status, we have a review of the map, as the Commission requires us to do. Every hon. Member has been sent a copy of the review and I urge all hon. Members to respond to it. The closing date is tomorrow.

Mr. John Wilkinson (Ruislip-Northwood): Would not the disparities in wealth that exist within our country, which are significant, be even greater were we to accept a single currency? The differences in economic performance within the United Kingdom with our single interest rate are as nothing compared with differences in wealth within a Europe with a single currency where a single rate of interest would not be universally appropriate.

Mrs. Roche: The hon. Gentleman tempts me, and perhaps I can say that we probably have rather different views on the European question. What we have in common is a determination to get the best possible deal for the United Kingdom, which is why, in the negotiations, we are arguing, particularly in relation to objective 2 status, for maximum flexibility, so that we can hone our efforts towards particular areas of deprivation. That certainly will be to the benefit of all regions of the United Kingdom.

Aerospace Industry

4. **Mr. Gordon Prentice** (Pendle): What representations he has received from United Kingdom aerospace companies concerning difficulties in securing Federal Aviation Authority approval. [55054]

The Minister for Trade (Mr. Brian Wilson): I am grateful to my hon. Friend for raising this important matter. The problem was brought to my Department's attention by the Consortium of Lancashire Aerospace, and the Society of British Aerospace Companies has also written to the Department of the Environment, Transport and the Regions about it. I understand that DETR has taken the matter up with the US Federal Aviation Authority.

Mr. Prentice: That does not surprise me because it is an immensely serious issue, not just for the Consortium of Lancashire Aerospace, but for aerospace companies across the United Kingdom, as the business is worth about £200 million a year. The long and the short of the matter is that American companies can repair British and European aircraft in the United States, but we cannot always repair American aircraft. The Federal Aviation Authority has been dragging its feet systematically for years and failing to appoint the inspectors that are required in the United Kingdom to ensure that there is a level playing field in aerospace. I urge my hon. Friend to take the matter up with his colleagues in the Department of Transport, and resolve it.

Mr. Wilson: I endorse everything that my hon. Friend says. He is right to raise the issue at every opportunity. He will also appreciate that DETR is the lead Ministry in those matters. I understand that the information that DETR has received is that, by the end of the year, the FAA should be able to devote more resources to approval issues, so it is to be hoped that the position will change and the approval of servicing facilities in the United States will proceed. We are certainly aware of the importance of the issue to UK aerospace companies and are keeping in touch with DETR. My hon. Friend is absolutely right to stress the importance of the industry and the issue to the British economy.

Mr. Christopher Chope (Christchurch): What we seek is that the FAA should act fairly and impartially as a regulator. Does the Minister agree that the Government's hand would be strengthened if the Secretary of State could be seen to be acting fairly and impartially in his own

regulatory role vis-a-vis sponsors of the dome, which include British Aerospace and GEC? Can he explain why the Secretary of State will not follow the advice in a leading article in the pink paper, the *Financial Times*, calling on the Secretary of State to hand over responsibility for the dome to a Government colleague and thereby

"avoid the appearance of impropriety"?

Mr. Wilson: The hon. Gentleman has a very loud voice, but that does not guarantee that he will say anything sensible. As he very well knows, my right hon. Friend the Secretary of State has acted impeccably on the advice of officials. He will continue to do so and is well aware of the importance of the issues. Everything is transparent and above board—exactly what could not be said of the previous Administration, whom the hon. Gentleman supported.

Small and Medium Enterprises

5. **Mr. Brian White** (Milton Keynes, North-East): If he will make a statement on his Department's work in supporting high-technology small and medium enterprises. [55055]

The Secretary of State for Trade and Industry (Mr. Peter Mandelson): High-technology SMEs are crucial to Britain's economic success and the enterprise and innovation which are needed to generate them will be at the heart of the forthcoming competitiveness White Paper. The Department's current support for high-technology SMEs includes grants for research and technology transfer through schemes such as the small firms merit award for research and technology—SMART—improving their financial management and marketing skills through advice and support from the business links network, and advising on how to access private finance and working with the financial community to improve the quality of appropriate finance available. We aim to extend and improve that support and we shall do so.

Mr. White: I thank my right hon. Friend for that reply. Does he agree that one of the key problems for many small high-tech companies is the gap between coming up with the idea and the innovation and being ready to go to the market to get venture capital? There is a difficulty with securing funds. Does my right hon. Friend recognise that many small companies face the barrier that financial institutions and civil servants are ultra-cautious? Will he ensure that those barriers are addressed in the forthcoming White Paper on competitiveness?

Mr. Mandelson: We shall certainly address all those issues in the White Paper. I entirely agree with my hon. Friend's comments about the paramount importance of providing finance for small and medium enterprises. We certainly need more technology banking in the United Kingdom, and if we were better able to have our banks acting as investors, perhaps in a more competitive banking sector, we might be able to achieve an altogether better service.

I also agree that we need well-performing capital markets and mechanisms to provide finance through successive stages of enterprise growth. I welcome the positive and practical proposals made in that context by the British Venture Capital Association. We shall follow up those proposals, and others, in the forthcoming White Paper.

Mr. Peter Brooke (Cities of London and Westminster): Will the Secretary of State have a word with his opposite number at the Department for Education and Employment about the perhaps excessively complicated overseas labour section rules on overseas work permits? They are cumbersome and difficult for small high-tech companies, in which the acquisition of an overseas employee may frequently be crucial to growth.

Mr. Mandelson: That is an extremely good point, and it is well taken. On my recent visit to the United States, I spoke with entrepreneurs who managed new high-tech businesses in Silicon valley, and I was struck by how many of those enterprises got off the ground using people who had gone to the USA from around the world and who had the skills and entrepreneurial flair necessary for the success of such enterprises. If there are blockages in the system, in relation to either the Department for Education and Employment or the Home Office, they will be closely scrutinised by my Department.

Mr. Ian Pearson (Dudley, South): May I welcome those comments? Does my right hon. Friend agree that, in comparison with the position in the United States, too few companies spin off from United Kingdom university sites and engineering bases? Will he talk to his colleagues at the Department for Education and Employment about ensuring that academics in British universities are encouraged to work more with business so that there are more academic entrepreneurs and more entrepreneurial universities?

Mr. Mandelson: I entirely agree with my hon. Friend. One of the key objectives of the Government, and of my Department, is to turn universities from ivory towers into business partners. That practice has been successfully followed in the United States, and we could do with more of it here. My hon. Friend will not be disappointed by the measures that we shall propose in the White Paper.

Mr. Brian Cotter (Weston-super-Mare): Is the Secretary of State aware that, by 16 October, only 194 people had been trained as millennium bug busters? The Prime Minister suggested that we would have 20,000 by April 1999, but at that rate we shall not have that number until 2050. Would the Secretary of State care to comment?

Mr. Mandelson: If the previous Administration had recognised the problem of the millennium bug and had done more to prepare by carrying out measures that were needed long before we were able to begin on them, we would be in a better position. The Government have moved with alacrity to put necessary measures in place. I recently met Mr. Don Cruickshank, who is directing Action 2000, and if the Government need to take any further steps to ensure that we are properly prepared to overcome the problem, we shall certainly do so.

Mr. John Redwood (Wokingham): I welcome the Secretary of State to his first departmental Question Time,

although the fact that it is his first shows how little accountability the Government have. High-tech businesses are already being sandbagged by higher taxes, higher interest rates, an erratic sterling and a massive increase in regulation introduced by the Government. Will the Secretary of State tell us whether high-tech businesses will be in for a pounding from his predecessor's proposals on trade union reform, or whether he will water down those proposals in the light of strong business opinion against them? I have read stories in the press both ways. Some newspapers of a leftward inclination say that the right hon. Gentleman is standing by every dot and comma of his predecessor's proposals to suit the left of his party; others say that he will water them down because business does not want them. The Secretary of State has said, "No more spin, honest." Will he now, loud and clear, tell us whether he is standing by every word or watering them down? Honesty is the best policy—in all things.

Mr. Mandelson: I am tempted to say that that is rich coming from the right hon. Gentleman. I reassure him, and anyone else who is interested in the fairness at work proposals in the White Paper, that they are designed to encourage partnership in industry and at places of work. We want to encourage in all those employed in firms and companies a commitment to their success and profitability. That is what the proposals were designed to do. I am sure that, in translating those measures into the Bill that will be published by the end of the year, we will be faithful to the tenets and principles set out in the White Paper and, as a result enjoy considerable support and good will from all parts of the business community.

Mr. Ken Purchase (Wolverhampton, North-East): Will the forthcoming measures recognise the credibility gap that exists—certainly in the west midlands—between his Department's assessment and administration of grants and the great length of time that it often takes for companies to benefit from them? If the gap is recognised, what measures will the Secretary of State take to overcome it?

Mr. Mandelson: I am grateful to my hon. Friend for drawing that to my attention. If he has any specific cases in his inside pocket, or anywhere else about his person, I hope that he will draw them to my attention. It is no part of the Government's responsibility, in making much-needed financial and other assistance available to companies, to let it be held up by poor administration.

Social Chapter

6. **Mr. Graham Brady** (Altrincham and Sale, West): What his Department estimates to be the cost of the social chapter's parental leave directive, works councils directive and part-time work directive to British business. [55056]

The Minister of State, Department of Trade and Industry (Mr. Ian McCartney): Compliance cost assessments were attached to the explanatory memorandums submitted to this House and another place on 28 October 1997 in relation to the parental leave and European works councils directives and on 17 March in relation to the part-time work directive. The Government are carrying out further work to update and refine those estimates.

Mr. Brady: I cannot thank the Minister for the detail of his reply because it was somewhat lacking. Given that Ministers have recently had the experience of BMW stating that it must cut jobs at Rover because of higher business and employment costs, does he accept in principle that the increased costs that he is applying to business will cost jobs and will he give some estimate of how many jobs the proposals will cost?

Mr. McCartney: If the hon. Gentleman had been doing his job over the summer, he would have read the documents set out in my answer. The Confederation of British Industry said, in the last year of the Conservative Government, that British industry lost £25 billion through unregulated absenteeism, a huge on-cost to business affecting its competitive advantage. Our proposals will help to cut such unregulated activity and ensure a better atmosphere in the workplace between employers and employees. On investment in this country, we have just had the biggest increase in inward investment in the past 20 years: more than 600 projects, including a new multi-million pound project in the car industry at Jaguar, which I was pleased and proud to have negotiated between Ford and the Government.

Mr. Jim Marshall (Leicester, South): Do not those three directives represent a small increase in protection for people in the workplace? Could not that protection be better obtained by enhancing the role of trade unions in the workplace? Will my hon. Friend go a little further than the Secretary of State and confirm that there will be no significant alterations to the principles outlined in the "Fairness at Work" White Paper?

Mr. McCartney: There were very good discussions between my comrades in the Confederation of British Industry and the TUC. One could not put a trade union card between me and my right hon. Friend on those matters.

From day one, the Government have set out their stall regarding partnership in the workplace, including employment rights. Employment rights are about not whether workers are union members but the right to be treated properly in the workplace, irrespective of union membership. If a worker is a union member and wishes to be recognised as such, the legislation sets out the relevant proposals clearly and specifically. My right hon. Friend has confirmed today that the Government will proceed, as we promised, to set out a framework for partnership in the workplace, which includes trade union representation.

Mr. Nigel Evans (Ribble Valley): Before the Minister slips up again and perhaps mentions the "socialist" word in the Chamber, will he tell us how many redundancies will occur and how many businesses will go to the wall before the Government conclude that it is not extra regulations and burdens that create jobs but deregulation and competitive conditions that allow businesses to create extra jobs?

Mr. McCartney: That is a bit rich coming from a member of a Government who cast regulation after regulation upon business.

Since Labour came to power, 400,000 new jobs have been created in the economy. We have put in place the biggest job investment and training package to help young people get off the scrapheap on to which they were thrown by Conservative Members. The hon. Gentleman knows full well—as one of the biggest offenders in his almost creeping defence of the previous Government in a failed attempt to serve on their Front Bench—that, when the Conservative Government could not hide the level of unemployment, they tried to fiddle their way out of it. That is why the Conservatives are in opposition and we are in government.

Mr. Bill Rammell (Harlow): Do we not need those measures to restore some basic fairness in the workplace, and do we not also need a sensible and rational debate about what level and scale of social protection is compatible with the enterprise economy? In that light, does my hon. Friend agree that the simplistic party political posturing on this issue that we see from the Conservatives—who oppose any form of regulation, wherever it occurs, under whatever circumstances—is completely wrong and unhelpful to the debate?

Mr. McCartney: My hon. Friend is right. That is why the British business community and the Government are absolutely committed to the principle of achieving competitive advantage by not spiralling down wages and conditions but by investing in a trained and skilled work force that is dedicated to the enterprise and its success. Only Conservative Members maintain the principle that Britain can succeed only by becoming the sweatshop capital of Europe. We reject that principle, as do the British people and British business.

Interest Rates

7. **Mr. John Bercow** (Buckingham): What research his Department has undertaken on the cost to British industry of increases in interest rates. [55058]

The Secretary of State for Trade and Industry (Mr. Peter Mandelson): The tough and decisive action by the Government, including taking the politics out of interest rate setting, will create the long-term economic stability that industry needs and ensure that Britain steers a course of stability in an uncertain and unstable world.

Mr. Bercow: I thank the Secretary of State for that reply. Does the right hon. Gentleman not realise that small businesses, which make up more than 90 per cent. of all enterprises in Britain, do not ordinarily pay the implausible interest rates that Ministers habitually parrot in this Chamber. but typically pay 11 per cent. or more on their overdrafts and other business borrowings? What confidence can business men and women, who face the prospect of a deepening economic crisis and who strive daily to keep their heads above water, have in Ministers who fail woefully to understand the real interest rates that real businesses must pay daily in the real world?

Mr. Mandelson: Under the previous Administration, a small business closed every three minutes as a result of the economic policies pursued by that Government. The hon. Gentleman has to understand that industry as a whole—small, medium and larger companies—would stand to lose a great deal more if the Government were to allow the economy to lurch back into the stop-go policies of the past. If we had failed to take the prompt and decisive action that we have taken since coming into office, industry would pay a higher cost in interest rates in future years. That is exactly what happened when interest rates reached 15 per cent. in the early 1990s, precisely because the Government failed to take the necessary action early enough to avoid that happening.

Mr. Martin O'Neill (Ochil): I welcome my right hon. Friend to the Dispatch Box. What advice will his Department be giving the Monetary Policy Committee now that inflation has been settling at around 2.5 per cent? Can we now look forward to the Government—particularly the Department responsible for manufacturing industry—giving a clear signal, as they are entitled to do in their advice to the MPC, that this is the time for interest rates to start falling even further than last month's welcome quarter of a per cent. cut?

Mr. Mandelson: As my hon. Friend has said, it is the MPC that sets interest rates to meet the Government's inflation target. In doing so, the committee takes account of all available information, some of which comes from my Department. The Government will continue to give the committee full support in whatever difficult decisions on interest rates it has to take. In announcing its last quarter of a per cent. cut in rates, the committee noted that the international economic and financial environment had deteriorated and the outlook for demand had weakened. I am sure that, in view of that, the decision that the committee took was a wise one. I am also sure that that wisdom will continue to be shown in all its decisions.

Mr. John Redwood (Wokingham): Is the Secretary of State aware that our interest rates are more than double those in France and Germany, making it extremely difficult for our manufacturing businesses to compete? Is he aware that the Bank of England has cited two Government policies as being especially damaging, leading it to leave interest rates higher than manufacturing can afford? The Bank has cited the coming minimum wage and the impact that it thinks that that will have on wage inflation higher up the scale. In addition, it has cited the big increase in public spending—my right hon. and hon. Friends and I have always criticised the surge in welfare spending over which the Government are presiding.

Why will not the Secretary of State and his colleagues now release us from the pressures of the minimum wage? Why will he not restore family credit, instead of introducing the working families tax credit scheme, which is so much dearer? Does he not realise that the Bank of England would be more relaxed about Government policy if he did so? The Bank would see that expenditure and wages were under better control and it could then start to cut interest rates, as business wants. That is what business desperately needs from him and his colleagues.

Mr. Mandelson: On the subject of public spending, the right hon. Gentleman needs to have a word with his colleagues in the shadow Cabinet, especially the shadow Secretaries of State for Education and Employment and for Health, both of whom have been complaining that the

Government, far from spending too much, are spending too little. By what voice should we judge the policies and approach of the Opposition? They speak with many voices and they need to clarify exactly what their view is.

As for the national minimum wage, I note that the right hon. Gentleman wishes to continue the policy of his predecessors, which is to support poverty wages in this country. I have certainly had no sign at all from the Governor of the Bank, who in conversation offered a view on that very subject, that the national minimum wage has been wrongly set. The real disaster for the economy would be to retreat to the boom-and-bust policies of the previous Administration, which did such enormous and long-term damage to British jobs and British prosperity.

Mr. Redwood: Perhaps if the Secretary of State read the minutes of the Monetary Policy Committee, he and his colleagues would start to relieve the pressure on businesses, as they need him to do. Will he stop peddling false rumours about the Opposition's position? All of us—the Leader of the Opposition, the shadow Chancellor, the relevant spokesmen and myself—support improved provision for health and education. We all condemn the wasteful rake's progress and breaking of promises on welfare. If the right hon. Gentleman sorted out those matters and read the minutes of the MPC, industry might not have to suffer so much.

Mr. Mandelson: The right hon. Gentleman is obviously determined to add bluster to his policies of boom and bust. The Conservative party's spin doctors are responsible for sorting out the rival positions of members of the shadow cabinet; I am glad that I moved on from that responsibility some time ago.

Employment Opportunities (Small Business)

8. **Mr. John Heppell** (Nottingham, East): What plans he has to increase employment opportunities in small businesses. [55059]

The Minister for Small Firms, Trade and Industry (Mrs. Barbara Roche): The creation of new employment in small businesses is dependent primarily on a climate of stable, sustained economic growth. The Government have taken decisive action to establish a new framework for monetary policy to ensure economic stability.

The Government are also committed to helping businesses to overcome financial, regulatory and other barriers to growth.

Mr. Heppell: My hon. Friend will be aware that many small businesses in Nottingham have sensibly taken advantage of the Government's new deal to ensure that they have a well-trained and highly motivated work force. Has she made an assessment of the importance of the new deal in creating employment opportunities?

Mrs. Roche: My hon. Friend makes a good point about the opportunities offered by the new deal for people gaining employment and for small and medium enterprises. More than three quarters of the 25,000 employers who have signed up to the new deal are small companies, which means that they are often, valuably, filling gaps and creating necessary skilled jobs. That is why the new deal has been so warmly welcomed by small businesses.

Mr. Nicholas Winterton (Macclesfield): My question seriously follows up earlier questions and is relevant to this matter. Does the Minister agree that the best way for the Government to encourage additional employment by small businesses would be to change the guidelines and criteria of the Monetary Policy Committee so as to enable it, under the Governor of the Bank of England, Eddie George, to reduce interest rates to make them competitive for companies in this country? I am following up the request made, in person, of the Government and the Secretary of State by the hon. Member for Ochil (Mr. O'Neill), who chairs the Select Committee on Trade and Industry. Is it not important for us to consider interest rates, because they are so fundamental to investment by small businesses which would increase employment?

Mrs. Roche: I know that the hon. Gentleman has an impressive record of support for manufacturing industry and interest in small businesses. I know from my extensive discussions with small businesses and my visits to them that the most important factor for them is economic stability. Nothing was more damaging than the record of the previous Government, which saw us going from boom to bust and back again. We need a period of stability, which is exactly what the Government are providing.

Mr. Barry Sheerman (Huddersfield): Will my hon. Friend remind the Opposition that, if we want to know about long-term competitive conditions for small businesses, we must consider long-term interest rates? For many years under the previous Administration, we suffered from penal long-term interest rates. Since Labour came to power, we have started to reduce those rates, which is good for large, medium and small businesses.

Mrs. Roche: My hon. Friend is right, and he speaks with many years' knowledge of this matter. It is essential that all businesses, but particularly small and medium businesses, know what conditions will be, not only for the next few weeks but for the next few months. We are providing that stability and certainty.

Mr. David Chidgey (Eastleigh): Does the Minister recall her colleague, the Minister for Employment, Welfare to Work and Equal Opportunities, saying, when in opposition, that, if Britain dragged behind its Community partners on economic and monetary union it

"would be a serious blow . . . would make Britain a"

far

"less attractive place"

to invest in and would jeopardise even

"more jobs"?—[*Official Report*, 24 March 1993; Vol. 221, c. 964.]

Does she agree with him?

Mrs. Roche: The hon. Gentleman knows precisely what the Government have said about economic and monetary union. The key thing that we must do at the moment is to prepare all our businesses—small, medium or large—for the fact that there will be 300 million consumers in the euro zone. The key thing that the

Government must make up for is the deficiency of the previous Government, who wasted precious time squabbling among themselves instead of acting for the country, and thereby let those small businesses down. That is why we are doing so much work on preparing our businesses, so that they can take true competitive advantage of the euro zone when it comes into being on 1 January.

Steel Industry

10. **Helen Jackson** (Sheffield, Hillsborough): If he will make a statement on the prospects for the steel industry. [55061]

The Secretary of State for Trade and Industry (Mr. Peter Mandelson): The UK steel industry is facing pressures from international competition, but it is one of the success stories of the British economy. It is one of the most efficient and productive steel industries in the world. The industry continues to attack its cost base to ensure that it remains profitable and is better able to compete at home and overseas.

Helen Jackson: I thank the Secretary of State for that answer. He may be aware that the plant at Stocksbridge in my constituency is one of the most efficient producers of special engineering steel in the country and in Europe, and that it fulfils more than 50 per cent. of the needs of the home market for that type of steel, which provides the vital bits and pieces in car engines and aero-engines that we all depend on. However, by its nature, it requires stability and consistency in its supply chain and its energy costs. What will the Government do to help provide that consistency and stability, to ensure that Stocksbridge remains one of the prime manufacturing locations in the country?

Mr. Mandelson: My hon. Friend is right in the way in which she describes the success of that company and of that plant. I shall happily—as I would expect to do—learn a great deal more of its success when I visit Sheffield later today, when I shall probably meet representatives, if not of that company, at least of the steel industry in Sheffield. The UK steel industry has undergone substantial restructuring since the 1970s, but productivity has increased fourfold and it continues to invest more than £350 million a year in new plant and innovation. I believe that, with that commitment to productivity, to investment and to increasing the industry's competitiveness, we shall continue to see further success. It will certainly have the full support of my Department.

Mr. Edward Leigh (Gainsborough): The Minister mentioned visits. I wonder whether he will shortly visit a country that is one of the most attractive and growing markets for British steel because of the careful way in which it has balanced political and economic forces—Chile?

Mr. Mandelson: I have no plans to visit Chile, although, if I had been able to add a visit to it to my forthcoming visit to Brazil and Argentina in the time available, I should have been only too pleased to do so.

Mr. Barry Jones (Alyn and Deeside): In welcoming my right hon. Friend to his post, may I tell him of the dismay and desperation of steelworkers at the Shotton works in my constituency, who see yet more redundancies on the horizon? How might he help the industry and Shotton with regard to energy costs and to dumping from the far east of steel products? I know that he will not tell steelworkers in my constituency to sharpen up their act, because they are the most competitive, productive and co-operative—and have been the most successful—steelworkers that one could imagine. In 1980, they suffered 8,000 direct steel job losses in just two months. I know that he will do all that he can to help them.

Mr. Mandelson: I should never dream of simply asking any work force in any company to sharpen up its act. I should, however, always say to any company, all those who are employed in it and particularly all those who manage it and are responsible for its long-term strategic direction, to raise their game and performance and sharpen up their act. That injunction is well taken.

In the case of any redundancies in any industry or locality, the local Employment Service will work closely with the companies concerned and the resettlement consultants appointed. We take that responsibility seriously.

As the hon. Gentleman knows, the EU Commission is responsible for taking any anti-dumping action and, in working with the EU Commission, we shall consider each complaint on its merits.

Brewing Industry

11. **Mr. James Gray** (North Wiltshire): What assessment he has made of the impact of the provisions of the Competition Bill *[Lords]* on employment in the brewing industry. [55063]

The Minister for Competition and Consumer Affairs (Dr. Kim Howells): We have a fine brewing industry which understands the need for all sectors to be capable of taking on international competition. I should expect the Bill's provision of a more effective regime to help in that respect by deterring and tackling anti-competitive agreements and conduct in the brewing industry as in every other. It will lead to a more competitive market, which will provide the basis for greater employment opportunities.

Mr. Gray: I think that I am grateful to the Minister for that reply, although I am concerned that he seems to be reconfirming that agreements between breweries and tied houses will be within the provisions of the Bill—something that was not clear before. I am particularly concerned about the agreements between small country breweries, such as Wadworth and Arkell's in my constituency, and the country pubs. Will those agreements be within the terms of the Bill or not?

Dr. Howells: Yes, they will be. On supply agreements, we have received notice that the European Commission intends to take a favourable view of a number of standard United Kingdom pub leases. Formal exemption decisions will be expected in the next few months.

Mr. John Smith (Vale of Glamorgan): Will my hon. Friend join me in welcoming the growth in small and

independent breweries throughout Britain, which will benefit not only from the proposals in the Competition Bill but from the legislation due on 1 November on late payment to companies, a crucial factor affecting the success of small businesses? It will help to create not only a better environment for the future but a business culture and climate in which late payment is unacceptable.

Dr. Howells: My hon. Friend makes an important point. We are the first Government to tackle successfully the question of late payment. We have raised it as an issue and acted upon it. Given the Conservative party's attitude to the brewing industry, the question is a bit rich coming from them. Just last July, Conservative Members talked out a private Member's Bill that would have allowed every beer drinker in Britain to have a proper measure of beer. How many more jobs in the brewing industry would that have created? In everything the Conservative party touches, it short-changes consumers and workers. We put consumers and workers at the centre of everything that we do.

Libya

12. **Mr. Tam Dalyell** (Linlithgow): What representations he has received from the British-Libyan business group concerning actions taken since July 1998 by the Libyan Government against UK firms involved in work in Libya. [55065]

The Minister for Trade (Mr. Brian Wilson): The Secretary of State has received two letters from Mr. Kevin Boyle, chairman of the British-Libyan business group, covering several points on UK Libyan trade. Those have not included specific references to actions taken by the Libyan Government.

Mr. Dalyell: What was the Department's understanding about an embargo against British goods and services in relation to the great man-made river project, possibly the biggest engineering project in Africa? Will my hon. Friend discuss with Kevin Boyle the problem surrounding visas, which is a great difficulty for British business men in what is a potentially lucrative, once British, market?

Mr. Wilson: As my hon. Friend is well aware, those issues do not take place within a vacuum. I am well aware of the potential and the past trade with Libya. If the other issues could be resolved, as I am sure my hon. Friend wishes, and I and the Government wish, it would be extremely healthy and positive for our relations with Libya, including our commercial relations.

I am not aware of an embargo on British contracts in connection with the great man-made river. The Department receives many inquiries from British firms about it and we give them balanced advice. Problems with visas should not arise for legitimate business people and, if they do, I would be pleased to discuss them further. I shall ask my officials to speak to Mr. Boyle on those matters.

Fairness at Work

13. **Mr. Paul Marsden** (Shrewsbury and Atcham): what representations he has received on the fairness at work White Paper. [55066]

The Minister of State, Department of Trade and Industry (Mr. Ian McCartney): The Department has received 474 responses, reflecting a wide range of views, to the White Paper on fairness at work published on 21 May. I have placed a list of respondents in the Library of the House.

Mr. Marsden: I assume that all sides in British industry have replied to the proposals. Will my hon. Friend lend his support to making partnerships in British industry work? As a former manager in British industry, I have seen the damage caused by conflict and disagreement. We need far more compromise and reconciliation. What are my hon. Friend's views on the proposed partnership fund?

Mr. McCartney: There has been an overwhelmingly positive response to the concept of partnership at work set out in the White Paper, and to the specific proposal for establishing a partnership fund for innovative projects to improve the training of managers in the workplace and employee representatives, to encourage partnership approaches across a range of activities currently taking place in companies. That will ensure over time that the Government put their money where their mouth is and invest in processes to improve industrial and employee relationships across the workplaces of Britain. I am delighted to say that discussion with the social partners so far will enable my right hon. Friend the Secretary of State to make an announcement about those matters in due course.

Business of the House

3.31 pm

Sir George Young (North-West Hampshire): May I ask the Leader of the House to give us the business for next week?

The President of the Council and Leader of the House of Commons (Mrs. Margaret Beckett): The business for next week will be as follows:

MONDAY 2 NOVEMBER—Debate on the security and intelligence agencies on a motion for the Adjournment of the House.

TUESDAY 3 NOVEMBER—Debate on personal pensions mis-selling on a motion for the Adjournment of the House.

WEDNESDAY 4 NOVEMBER—Until 2 o'clock, there will be debates on the motion for the Adjournment of the House.

Opposition Day (20th allotted day).

Until about 7 o'clock, there will be a debate on the economy, followed by a debate on agriculture. Both debates will arise on Opposition motions.

THURSDAY 5 NOVEMBER—Debate on the report of the Independent Commission on the Voting System on a motion for the Adjournment of the House.

FRIDAY 6 NOVEMBER—The House will not be sitting.

MONDAY 9 NOVEMBER—Debate on the fifth report of the Committee on Standards in Public Life on the funding of political parties in the United Kingdom on a motion for the Adjournment of the House.

The House will also wish to be reminded that, on Wednesday 4 November, there will be a debate on the social action programme 1998–2000 in European Standing Committee B.

The House will also wish to know that it is proposed that, on Wednesday 11 November, there will be a debate in European Standing Committee B on Agenda 2000: financial aspects.

Details of the relevant documents will be given in the *Official Report*.

[Wednesday 4 November:

European Standing Committee B—Relevant European Community document: 8328/98, Social Action Programme (1998–2000); and relevant European Legislation Committee report, HC 155-xxx (1997–98).

Wednesday 11 November:

European Standing Committee B—Relevant European Community documents: (a) 7046/98, Agenda 2000: The financial perspective 2000-2006, (b) 7221/98, Agenda 2000: The interinstitutional agreement of 29 October 1993, (c) 9302/98 ADD1: Own resources based on VAT and GNP, (d) COM(98)560, Financing the European Union; and relevant European Legislation Committee reports: (a) HC 155-xxvi and HC 155-xxxvii (1997–98), (b) HC 155-xxvi (1997–98), (c) HC 155-xxxvii (1997–98), (d) HC 155-xxxviii (1997–98).]

Sir George Young: We are grateful to the right hon. Lady for providing the business for next week. Her predecessor was able to announce two weeks' business in advance, which was found to be helpful both inside and outside the House. Will the Leader of the House confirm that that is her intention, and that she will revert to that practice as soon as she can?

I welcome the right hon. Lady's response to my request last week for an early debate on the Jenkins report. I hope that, in that debate, the Government spokesman will reconcile two sentences from the Labour party manifesto:

"We are committed to a referendum on the voting system for the House of Commons"

and

"We have promised only what we know we can deliver."

Can she tell us whether a promise is to be broken?

The Leader of the House will know that we asked for a statement about Senator Pinochet. Of course we understand the sub judice rule, but will the right hon. Lady accept that, once the matter ceases to be sub judice, serious questions will remain to be answered? Will the Home Secretary make a statement before the House about the confusion that arose between Government Departments? Can the Foreign Secretary explain how relationships with Chile can be restored, as their democratic Government have made it clear that they want this matter to be brought to a swift conclusion?

Although we regret the Prime Minister's failure to make a statement following last weekend's European summit at which a number of key issues were covered, can the Leader of the House confirm that the Chancellor will make a statement on Tuesday? Can she confirm that we shall have, in Government time, the two-day debate on the economy that we usually have at this time of year? Following the further fall in business confidence reported in the press today, the Government have refused yet again to find time for a debate on the economy.

In view of the continuing uncertainty in Kosovo, may I press the Leader of the House for a debate on foreign affairs? Finally, is she yet able to give us the date of prorogation?

Mrs. Beckett: By chance, the first and last of the right hon. Gentleman's questions work well together. He asked the date of prorogation; he also asked me to return to the arrangement whereby we give two weeks' notice of business. My difficulty in both respects relates directly to the operation of another place. I cannot give a date for prorogation, although I can confirm that it is likely to be late because of the timing of debates in another place. Similarly, that is why I cannot give two weeks' notice of business. I very much regret that. I entirely share the right hon. Gentleman's view that it is highly desirable to do so, and confirm that it would always be my wish to do so as soon as that once again becomes possible.

I am grateful to the right hon. Gentleman for his kind remarks about the debate on the Jenkins commission report. It is clear from the announcement that my right hon. Friend the Home Secretary is making on that matter—I know that he will make it clear in the debate—that the Government primarily seek the fullest possible debate. The Government are committed to a referendum on those matters so that the people of this country can give their view, but it is clear, too, that the timing of that must be looked at in the context of the Jenkins report. It is certainly not ruled out that it may well be within this Parliament.

The right hon. Gentleman asked me for a statement on the Senator Pinochet issue when it ceases to be sub judice, which it is not yet. However, I can say that, as the Prime

Minister made crystal clear yesterday, there has been no confusion between Government Departments. As he pointed out, the request came from the Spanish Government to the magistrates, not via this Government.

The right hon. Gentleman regretted the failure to report on the EU summit. As he is aware, it was an informal meeting in Austria. There were no formal conclusions to report to the House, and no formal statement was issued. The Prime Minister has always followed the practice, where there are such statements or communiqués, of reporting to the House, and he will continue to follow it.

As for a debate on the economy, I can confirm that my right hon. Friend the Chancellor of the Exchequer hopes to make a statement on the matter. Arrangements for future debates on the economy are generally a matter for the usual channels, but we are likely in the not-too-distant future to have a Queen's Speech and an opportunity to debate such matters.

We shall continue to keep the House informed about developments in Kosovo, as my right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs has done throughout.

Mr. Jim Marshall (Leicester, South): Does my right hon. Friend recall that, some time ago, the Modernisation Committee reported on the need to improve the scrutiny of European legislation, both within the House as a whole and within its specific Committees? Can she give a firm undertaking that those recommendations will be debated on the Floor of the House before this Session ends so that they can come into effect in the next parliamentary Session?

Mrs. Beckett: I cannot absolutely give my hon. Friend the undertaking that he seeks, but I can confirm that I share his wish to see such an outcome. As he knows, the House is under some pressure at present, but I hope to accommodate him before the end of the Session.

Mr. Paul Tyler (North Cornwall): Can the Leader of the House give us any more details about the nature of the motions that the Opposition will be tabling next Wednesday? It will not have escaped her notice that we had debates on the economy and agriculture on Monday, and Conservative Members not only did not turn up or table an amendment, but did not vote. It is well known that some Conservative Members find difficulty in reaching the Chamber in eight minutes, but 10 days to get to the Division Lobbies is rather a lengthy time.

The Leader of the House has made an announcement about the timing of the Jenkins report, and we certainly welcome an early debate in the House on the independent commission's recommendations. Does she think that sufficient time will have elapsed for the Conservative party to get its act together between now and then? She will have noted that the Conservative party published its reaction to the report before the report was published, and so missed all the rebuttal of its arguments contained in the report. Will she particularly note that the Conservative party has decided not to use the first-past-the-post system to elect its leader, although Conservative Members now seem to think that that is the one type of election that they can all rally around?

Will the Leader of the House give us a specific answer to a specific question: is it not right that every member of the parliamentary Labour party was elected to the House on a manifesto commitment to hold a referendum on the subject of the Jenkins report in this Parliament?

Mrs. Beckett: May I begin where the hon. Gentleman ended? The manifesto commitment, on which—he is right—every Labour candidate fought the election, was that we would have a referendum on proportional representation.

Mr. Nicholas Winterton (Macclesfield): In this Parliament?

Mrs. Beckett: No, the manifesto did not say that. It was, broadly speaking, the expectation, and might well indeed be the outcome, that the referendum would be held in this Parliament, but that was not the wording of the manifesto, which is what the hon. Member for North Cornwall (Mr. Tyler) said. It is only fair to set the record straight.

The hon. Gentleman asked me to comment on the attendance of Conservative Members at Liberal Democrat Opposition day debates. It would not be right for me to intrude on private grief in that matter. He also asked me to speculate on the wording of the motions. That, also, is not directly within my area of responsibility, although we can be quite confident that, in some way or other, we will discover that the blame for everything that has gone wrong in this country lies at the door of the Government, and that nothing whatever relates in any way to the actions of the Conservative party or to its 18-year tenure of government.

The hon. Gentleman also asked me whether I believe that the Conservative party will get its act together on Jenkins. It would be wrong for me to predict that it will either get its act together on anything or that Conservative Members will all rally around anything.

Mr. Richard Burden (Birmingham, Northfield): May I, too, add my welcome for the early debate on the report from the independent commission and express my hope that, whatever our different views on the report, we debate what is in it, rather than things that are not in it, as has happened today? What happened was hardly surprising, because some views were published before the report was published.

Does my right hon. Friend agree that the important debate on the report will take place not in the House, but outside? It is the responsibility of all hon. Members to ensure that that debate is as informed and open as possible, because the British people should have the final say on the way in which Members of Parliament are elected, rather than Members of Parliament working it all out for themselves.

Mrs. Beckett: I agree with most of what my hon. Friend said in the sense that I whole-heartedly agree that it is enormously important that there is a thorough, proper and well-considered debate on those issues in the country. I take the view, however, that it is right for the House, if I may venture to say so, to lead that debate. It is important that hon. Members make their own contribution and, although the decision in the referendum will ultimately rest with the British people, the outcome will undoubtedly be influenced by discussions in this place.

[Mrs. Beckett]

My hon. Friend is absolutely right to call for a thorough and long public debate—I certainly believe that it should be constructive, and hope that that will be the outcome—but it is also right to recognise that this House has its proper place.

Sir Teddy Taylor (Rochford and Southend, East): Does the Leader of the House recall that, last week, when I put to her my complaint about the draft order on the arrangements and expenditure involved in The Hague trial of the Lockerbie suspects, she kindly suggested that I should raise the issue with the Foreign Secretary on Tuesday, which I did? He said that there was no reason why hon. Members could not have a debate on the subject. Sadly, however, having applied to Madam Speaker, I was advised this morning that I was unsuccessful in the ballot.

As the United States has said that time is running out, and as this matter is vital to the relatives of those who lost their lives and to the people of Libya, would the Government agree to hold a debate to let the House express a view on what some consider to be an incorrect policy and others think is correct? Surely the House should debate an order produced by the Government on a vital issue of public policy.

Mrs. Beckett: I cannot undertake to find time for a debate for the hon. Gentleman in the near future. I suspect that he has not wholly exhausted the procedures. Knowing his skill and experience as a parliamentarian, I am confident that he will continue to explore the means open to him to secure a debate on this matter in the near future. I shall draw his observations to the attention of my right hon. Friend.

Mr. Dale Campbell-Savours (Workington): My right hon. Friend may have heard the Secretary of State for Trade and Industry refer in Question Time to the need for more competition among the banks. May we have a debate on the banking sector, because the National Westminster bank's operations are causing much damage to many businesses in our constituencies, and much heartache to our constituents? The banking practices of the National Westminster bank, including the practices of its subsidiary Lombard, should be exposed to Parliament. May we have that debate as a matter of urgency?

Mrs. Beckett: I fear that I cannot promise my hon. Friend such a debate as a matter of urgency. Like the hon. Member for Rochford and Southend, East (Sir T. Taylor), my hon. Friend is skilled in finding opportunities to raise matters, and I am confident that he will do so.

Mrs. Theresa May (Maidenhead): I am sure that the Leader of the House is aware that, last October—a year ago—the Government published a Green Paper on the provision for children with special educational needs. In December last year, the Minister for School Standards, the hon. Member for Birmingham, Yardley (Ms Morris), promised that, when the Government gave their response to the Green Paper, they would come to the House. A response has been promised since last April, and there have been rumours that it will be made in a statement to the House. However, I learned this afternoon that the Government intend to make their response not to the House as promised, but in a press conference next week. Will the Leader of the House ensure either that the response is made to the House in a statement or that we have an early debate on special educational needs and the Government's response to the consultation?

Mrs. Beckett: I understand the hon. Lady's concern. The subject of special educational needs arouses great interest on both sides of the House. I hear what she says about expectations of the outcome of the consultation, and I shall draw her views to the attention of my right hon. Friend and hon. Friends in the Department for Education and Employment. However, I cannot undertake to find time for a debate next week.

Mr. Dennis Skinner (Bolsover): Will my right hon. Friend give an assurance that, in next week's debate, the Government will be astute and will not get tied hand and foot to the tinpot Jenkins proposals which were published today? If those proposals were carried into practice, every constituency in Britain would have to be changed, there would be first and second-class Members of Parliament, and for some the entire constituency link would be removed. As for the report, we need two bottles of claret to digest it.

Will my right hon. Friend always remember that Roy Jenkins—"Woy of the Wadicals"—was the man who tried to destroy the Labour party some years ago, and failed? He destroyed the Social Democratic party, and now he is among the Liberal Democrats. Word has it that even some of the Liberal Democrats do not like the Jenkins proposition. He is trying to destroy them as well.

Mrs. Beckett: My hon. Friend has made it plain why it is necessary for a full debate to take place on those issues, about which he has raised important points. As for his call for the Government to be astute, I assure him that we endeavour to be so.

Mr. John Wilkinson (Ruislip-Northwood): May we have a debate, as a matter of urgency, on transport in London, in view of the exorbitant and scandalous increases in tube fares that are to take place from January next year? Tube fares are to rise to five times the inflation rate, while bus fares will rise to six times that rate, and further increases above inflation are projected for every year until 2002. Is that the Labour party's integrated transport strategy in action? The debate in question should surely be wound up by a Treasury Minister, as the travelling public will have to travel not by tube or bus, but by car, and will thus be caught not only by duty rates that are above inflation but by congestion tax. It seems that the only possibility for Londoners is to travel on foot.

Mrs. Beckett: The hon. Gentleman asks me to arrange a debate in the near future, which I am not sure that I can undertake to do. He also asks whether that increase is a consequence of the Labour party's integrated transport policy. No; it is a consequence of the Conservative party's neglect of London Transport, its failure to invest and its ignoring of Londoners' transport needs over the past 18 years. As I am sure that the hon. Gentleman is aware, London Transport fares are the statutory responsibility of

London Transport, not of Ministers, and the balance between fare levels and the need for investment is always difficult to strike.

Mr. John Cryer (Hornchurch): May we have a debate on the role of private firms and private capital in education action zones? I understand that McDonald's has become involved in one zone. I cannot believe that its motive is entirely altruistic; it is more likely to be the wish to stuff hamburgers down children's throats.

There are various worries about the role of private firms in the new education action zones. May we have a debate soon?

Mrs. Beckett: I know that the issue of education action zones, how they might work and how they could deliver different ideas on the running of the education system is a matter of interest and controversy throughout the House. I will bear my hon. Friend's request in mind, but I am afraid that I cannot promise a debate in the near future.

Mr. Peter Brooke (Cities of London and Westminster): I am grateful to the Government for lifting the siege of the London clinic, a subject to which I shall want to return when the case ceases to be sub judice, but did the Leader of the House really mean to say that the extradition request had come from the Spanish Government? I had understood that that was the one source from which it had not come.

Mrs. Beckett: I think I am right in saying that, although the request originated with a Spanish judge, it had to have the imprimatur of a Spanish Minister in order to be delivered. If I am incorrect, I shall write to the right hon. Gentleman, but 'in any event' that does not affect the main thrust of my earlier answer, which was that the matter was not dealt with through this Government.

Mr. Tony McNulty (Harrow, East): Has my right hon. Friend read the comment attributed to Sir Paul Condon this morning that pay levels in the Metropolitan police somehow excuse corruption? I am sure that that rather strange comment was a misquotation, or that it was quoted out of context, but does it not highlight the fact that the sooner we have the annual Adjournment debate on policing in London, the better? I wonder whether it could be fitted in before prorogation.

Mrs. Beckett: I do not know whether the remarks that Sir Paul Condon is reported to have made have been quoted accurately, but I recognise and understand my hon. Friend's active interest in policing in London, and agree that it is worthy of debate in the House. I fear that I cannot undertake to find time for a debate during this Session, but the next Session might be another matter.

Mr. Nicholas Winterton: The Leader of the House is aware that western parts of the United Kingdom have experienced severe weather and flooding in recent times. In my constituency, Garden street, Steeple street and Hurdsfield road, and the houses in those streets, have been under water. In the village of Bollington, north of my constituency, Water street and John street have been under water. The village of Adlington has experienced severe flooding, and part of the village of Prestbury, at Bridge green, has also been under water.

As the House will have time over the next week or two, will the right hon. Lady arrange for the appropriate Minister to come to the House and make a statement about the experience in the west of England that has resulted from the severe weather, so that we know what action we can take to help our constituents and what help may be available to our local authorities—whether borough or county councils—so that they can try to alleviate the suffering?

Mrs. Beckett: Like hon. Members from both sides of the House, I entirely share the hon. Gentleman's concern about the distress that is being experienced as a result of the flooding. I will certainly bear in mind his request for a debate, although, as I know that he will appreciate from his long experience in the House, we are approaching a point in the Session when time will be under pressure in various ways. He will know that, on 20 October, my hon. Friend the Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food made a statement on the lessons to be learned from the Easter floods. The Government keep those matters under review and will certainly bear in mind the hon. Gentleman's concerns.

Mr. Mike Gapes (Ilford, South): Will my right hon. Friend find time for a debate on the relationship between Members of Parliament and their constituencies, particularly the fact that they have a responsibility to represent the areas for which they are elected? In the context of the Jenkins debate, will she make it clear that any proposal for a two-tier system of Members of Parliament, in which Members at large could interfere in any of the 10 constituencies within an area, would be contrary to the tradition in which Members of Parliament represent the electorate of a town, city or constituency for which they are elected?

Mrs. Beckett: My hon. Friend, too, alludes to the proposals in the Jenkins commission report. He identifies important aspects of those proposals, which I know the House—whether hon. Members support or oppose them—will want most thoroughly to debate and to encourage the public to debate.

Mr. Paul Keetch (Hereford): May I press the Leader of the House on the issue of the floods that are causing so much havoc not only in the west of England but in the Welsh borders? In my constituency, the city of Hereford is effectively cut off—there are no trains in or out of the city and the main A49 is blocked by waist-high water at the Belmont roundabout. The city is in gridlock and Herefordshire's largest trading estate—at Rotherwas—has been closed. People are today being evacuated from their homes, at least one farmer is believed to have drowned and two old people's homes have been closed. Floods are heading for Ross-on-Wye, where evacuations will take place later today and a school is being made ready as a reception centre. Moreover, four Royal National Lifeboat Institution inshore lifeboats have been stationed in Herefordshire. Although, as the right hon. Lady said to the hon. Member for Macclesfield (Mr. Winterton), we have had a statement on the Easter floods, clearly the lessons have not been learnt, so why can we not have a statement on those floods?

Mrs. Beckett: I cannot recall whether the hon. Gentleman was here when my hon. Friend the

[Mrs. Beckett]

Parliamentary Secretary made a statement a few days ago, but part of the problem at Easter was the failure of the flood warning system and, as I understand it, some lessons have been learnt from that. However, that does not detract in any way from the hon. Gentleman's concerns, which the House will share, for his constituents and others who are affected by present developments. I assure him that the Government are monitoring, and will continue to monitor, the position carefully. He will know that my right hon. Friend the Minister of Agriculture, Fisheries and Food and my hon. Friend the Parliamentary Secretary, who deal with those matters, are in the Chamber and have heard this exchange.

Mr. David Winnick (Walsall, North): Are not some of our hon. Friends being somewhat unfair to Lord Jenkins? As for next Thursday's debate, should not Lord Jenkins and his colleagues be warmly congratulated for making recommendations that are so untenable and unacceptable that most people will conclude that, with all its faults, the first-past-the-post system is far preferable to a two-tier House of Commons, which there has never been in the past and which there should not be in the future?

Mrs. Beckett: My hon. Friend makes it absolutely plain how wise the Government were to arrange for a debate next week.

Mr. Desmond Swayne (New Forest, West): Has the right hon. Lady seen early-day motion 1714?

[*That this House welcomes the acknowledgement by the Secretary of State for Trade and Industry that his responsibilities for competition policy require him 'both to act fairly and impartially and to be seen to do so'; notes that he satisfied himself he could take decisions about the British Airways/American Airlines alliance, and 'having discussed it with officials' decided he should determine whether the proposed acquisition by BSkyB of Manchester United be referred to the Monopolies and Mergers Commission; calls upon him to explain why he concluded that he will be seen to be acting fairly and impartially in these cases, despite the acceptance by the New Millennium Experience Company of sponsorship from British Airways and Bskyb totalling £24 million; further notes that the Director General of Fair Trading is investigating the profitability of supermarkets, including Tesco which has committed sponsorship to the NMEC of £12 million; is concerned that the NMEC is negotiating with the Ford Motor Company over a £12 million sponsorship when it may lay off workers at Dagenham and when the DGFT is about to investigate UK car prices; is concerned that companies may appear to be compromised by the refusal of the Secretary of State to separate his role as regulator and sole shareholder of the NMEC; and calls upon him to give up his position with the NMEC immediately or step aside from any regulatory role regarding any industry involved in NMEC sponsorship.*]

Will the right hon. Lady arrange a debate on the difficulties arising from the different interests of the Secretary of State for Trade and Industry?

Mrs. Beckett: I am sure that the hon. Gentleman is well aware that the issue of interests and understandings for someone who holds the important post of Secretary of State for Trade and Industry is always kept under review by the Ministers involved and by proper officials. It has been confirmed repeatedly that my right hon. Friend does not have a conflict of interest.

Mr. David Drew (Stroud): Yesterday's statement on welfare reform by my right hon. Friend the Secretary of State for Social Security was very welcome, but will my right hon. Friend discuss with him the urgent need for widowers' rights to be promoted, because the existing anomalies are unacceptable?

Mrs. Beckett: I am sure that my hon. Friend's remarks can and will be drawn to my right hon. Friend's attention. Welfare reform is a major programme that is being conducted benefit by benefit and service by service. I feel confident that further announcements will be made in due course.

Mr. Nigel Evans (Ribble Valley): Is it possible to arrange an early debate on the Government's energy policy? An application is pending for 15 wind turbines that will stretch from Pendle, a neighbouring constituency, into Ribble Valley, which is an area of outstanding natural beauty which attracts tourists and is used largely for agriculture. There is another application for about 350 wind turbines in Wales. If we have one more wind turbine in Wales, it is likely to take off on a windy day—not the answer to devolution for which we were looking. For a small fraction of the cost that goes towards subsidising turbines, energy conservation measures could save more energy than could ever be generated by those useless, ugly and unwanted wind turbines.

Mrs. Beckett: I take heed of the hon. Gentleman's request. He will know that there are a variety of ways in which to pursue the opportunity to raise such issues, especially if they are constituency related—in Adjournment debates and so on. I will, of course, draw his concerns to the attention of my right hon. and hon. Friends who deal with such matters.

Mr. John Smith (Vale of Glamorgan): Will my right hon. Friend find time for the House to debate the accountability of quangos set up by the previous Government between now and the date they are likely to be wound up? I refer in particular to the Cardiff Bay development corporation and its cavalier treatment of charter fishing vessels owned by my constituents which sail out of Cardiff bay. Up to a dozen small businesses could be destroyed and, I am afraid, people are desperate. I spoke today to Skipper Steve Jones of the Lady Helen; my impression was that, unless the development corporation behaves in an acceptable manner, people may take desperate measures.

Mrs. Beckett: I understand my hon. Friend's concern, and I know of his great regard for his constituents' interests. I feel confident that he has taken steps to draw the matter to the attention of my parliamentary colleagues, but I fear that I cannot promise him a debate in Government time in the near future. Perhaps he might pursue the matter through an Adjournment debate.

Dr. Evan Harris (Oxford, West and Abingdon): May I draw the right hon. Lady's attention to the Labour party manifesto commitment to end

"unjustifiable discrimination wherever it exists"?

She has redefined a manifesto commitment as not necessarily applying to the Parliament concerned—which makes that merely a commitment to keep it in the manifesto—but does she accept that the Sexual Orientation Discrimination Bill, which was steered through all its stages in the House of Lords by the Labour peer Lady Turner of Camden, would be a worthwhile measure to end the institutionalised, widespread and systematic discrimination against homosexuals? As the Member in charge of the Bill in this place, I wonder whether Government time could be found in this spillover period to debate and legislate on that important matter.

Mrs. Beckett: I am deeply touched by the care with which hon. Members have read the Labour party manifesto and I can assure the hon. Gentleman that we stand by its contents. I fear, however, that, as he will know, it is always difficult for a Government to find time for other measures, no matter how important and worth while the subject. I take his points about the seriousness with which those matters should be discussed and the opportunity that has been made in the other place. I cannot undertake to find time before the end of the Session, even for such an important measure.

Mr. John Bercow (Buckingham): Will the Leader of the House find time for an early statement by the Secretary of State for Trade and Industry to resolve the ministerial muddle over the future of the Post Office? The right hon. Lady will recall that the Minister of State, Department of Trade and Industry, who is responsible for the Post Office—the hon. Member for Makerfield (Mr. McCartney)—announced on 16 May last year a review of the options for the future of the Post Office with a view in particular to removing "unnecessary and damaging shackles" on it. The right hon. Lady and her colleagues will be aware that, since then, there has largely been an eerie silence in public, punctuated by occasional briefings to some journalists that the Government favour a radical move, and counter-briefings to others that they do not. Is it not time that Ministers stopped arguing like ferrets in a sack, came clean and announced their proposals for the future in the interests of management, employees and customers of the Post Office?

Mrs. Beckett: I am a little surprised that the hon. Gentleman raises the matter with me today, since we have just had Trade and Industry questions—

Mr. Bercow: The matter did not come up. The question was not reached.

Mrs. Beckett: That has never stopped the hon. Gentleman before. I feel confident, knowing the hon. Gentleman's ingenuity, that, had he really tried, he could have worked the matter into some question or other.

There is no confusion about the future of the Post Office. The Government are committed both to giving it greater commercial freedom and to its success. As for talk about removing shackles and concern about its future, all I can say is that when the Tory party had responsibility for those matters, it made an awful mess.

Mr. Andrew Stunell (Hazel Grove): May I ask the Leader of the House in her capacity as Chair of the Modernisation Committee—*[Interruption.]* Chairman of the Modernisation Committee—to draw to her colleagues' attention when bringing forward their proposals for the Queen's Speech the excellent new systems for bringing legislation before the House? Will she ask them to fulfil the promise of her predecessor that, in the next Session, there will be a number of Bills that take advantage of those new procedures, which will be to the benefit of the House and the legislation?

Mrs. Beckett: I do not wish to pre-empt any of the processes of the Queen's Speech, but I can say to the hon. Gentleman that I strongly share the view that there is room for improvement of the ways in which we scrutinised legislation in the past, which would immeasurably improve the quality of the legislation and perhaps even our efficiency in dealing with it. I share the hon. Gentleman's view and I can assure him that those matters are under consideration.

Mr. Alan Clark (Kensington and Chelsea): The right hon. Lady has told us that, on Monday, we shall debate the security services. As she knows and as many hon. Members will have heard, Ministers frequently take refuge in the answer that they cannot discuss something because it relates to security matters. Would it be in order to ask a Minister whether the assessments of individual Cabinet members and their possible security risk are submitted in the first instance to the Prime Minister or to Mr. Alastair Campbell?

Mrs. Beckett: I believe that the question about what is in order is not a matter for me, but I suspect that that is not the point that the right hon. Gentleman is seeking to make. The role of the Prime Minister's official spokesman is well known. He is highly respected. We all take note of the fact that the Tory party so much dislikes his efficacy in that role that hon. Members do everything that they can to undermine him.

Sir Patrick Cormack (South Staffordshire): I congratulate the right hon. Lady on the ingenuity of that answer. I have two points to raise with her. First, following up a point made earlier, will she reconsider having a free vote at the end of next Thursday's debate so that every right hon. and hon. Member can express an opinion on a report which, in effect, proposes the destruction of our parliamentary system, so that she herself can be free, unfettered and unshackled and can tell us what she thinks about such a monstrous proposal?

Secondly, on a point that will unite the House, I am sure that the right hon. Lady will agree that it is a great pity that we have been unable to debate early-day motion 1647, headed "Speaker's Chaplain".

[*That this House notes that the Reverend Canon Donald Gray is to retire at the end of the current session after 11 years as Chaplain to the Speaker; pays warm tribute to his years of service to this House both in his formal duties and in his less formal but equally important ministry to honourable Members and staff throughout the House (including his support to the Parliamentary Christian Fellowship); notes also that he and his wife Joyce having made many friends in and outside Parliament, will be greatly missed; and wishes them both many happy and fulfilling years in their retirement.*]

[Sir Patrick Cormack]

The right hon. Lady will know that, this afternoon, Canon Gray conducted Prayers in the House for the last time. Does she agree that it would be appropriate for us all to place on record our great respect for Canon Gray and our profound gratitude for the service that he has rendered to the House, to all right hon. and hon. Members in a pastoral role and to so many of the staff of the House and the other place who have gone to him for counsel and help? He has been an exemplary Speaker's Chaplain and it is appropriate for that to be put on record before we move on to the next business.

Mrs. Beckett: The hon. Gentleman asked me for a free vote at the end of the debate next Thursday. It is not the end of the debate or the discussion; it is very much the beginning. It is certainly my view and that of the entire Cabinet that we would like widespread and thorough debate on the issues raised by the Jenkins report.

I thank the hon. Gentleman very much for his remarks about the Speaker's Chaplain and for giving me the opportunity—which might not otherwise have been in order—to say how strongly I share his views, which I know are shared by all right hon. and hon. Members on both sides of the House. The Speaker's Chaplain is held in not only great respect but much affection. The hon. Gentleman referred quite rightly to his pastoral role and his work with staff and with right hon. and hon. Members. If one may put it this way, he has adorned the House for a long time and we shall always find Prayers very different and for some time a little strange without him. I hope that he will be aware of how highly he is regarded and certainly, if that were not the case, I hope that it will be now.

BILL PRESENTED

North American Free Trade Area (Parliamentary Commission)

Mr. Michael Fabricant presented a Bill to establish a Parliamentary Commission to investigate the benefits or otherwise of accession by the United Kingdom to the North American Free Trade Area Treaty; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Thursday 19 November, and to be printed [Bill 251].

Pet Quarantine

[Relevant documents: The fifth report from the Agriculture Committee of Session 1993–94, on Health Controls on the Importation of Live Animals (HC 347-I, published on 23 November 1994).]

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Betts.]*

4.12 pm

The Minister of Agriculture, Fisheries and Food (Mr. Nick Brown): This is the first parliamentary occasion on which I have had the opportunity to welcome the hon. Member for South Suffolk (Mr. Yeo) to his new role as principal Opposition spokesman on agricultural matters and I do so now. I know that he will be a robust opponent on party political issues, but on issues of national importance that transcend party politics, such as the date-based export scheme, I hope that I can count on him as an ally.

Today's debate is not party political, although it involves matters on which people hold very strong views. Since becoming Minister of Agriculture, Fisheries and Food, much of my time has been consumed by the specific difficulties faced by farmers and the Government's desire to do what we can to respond; Agenda 2000 and the wider search for common agricultural policy reform; and, of course, the beef export ban, on which I have set myself the target of getting the issue resolved before Christmas. I am absolutely determined that the intense focus on those priorities will not divert me or the Department from our other responsibilities, especially food standards and the protection of the public.

Our quarantine laws, and the case for their modernisation and reform, are one aspect of public protection. I am grateful to the Leader of the House for her having secured Government time for the debate. The views of individual hon. Members are especially important on an issue such as this one, in which there is no obvious party political divide. The British people are internationally famous—or notorious—as animal lovers. We keep pets as part of our families, and we object to forced separation. It is no surprise that the requirement of six months in quarantine for dogs and cats entering the United Kingdom has always been unpopular among pet owners, especially those whose work commitments require them to travel abroad. That has a particular application for the armed services.

There are good reasons for quarantine, however. Rabies is an appallingly unpleasant disease which still causes many deaths in some parts of the world. It is right to take strict precautions against it. I am not willing to recommend to the House anything that puts our population at risk from rabies. Nor am I willing to put to the House anything that would inflict rabies on our wildlife or our pets. There has been no native case of rabies among animals for more than 75 years, and it is 95 years since someone last died of the disease after contracting it here.

We maintained that record during a period in which an epidemic in wildlife made rabies common on continental Europe. It is no longer common, however. A successful campaign is pushing the disease back beyond the frontiers of the present European Union. Western Europe is now

largely free of rabies. There were only 100 cases last year in animals other than bats, compared with 14,000 cases in 1989.

We must also take into account the freedom to travel that people now enjoy. Holidays abroad are part of modern life. In particular, the channel tunnel has made travel easy. Against that background, we must ask whether our arrangements are still justified. In 1971, the Waterhouse committee recommended retention of six months quarantine as a standard requirement. In 1994, the Select Committee on Agriculture had a fresh look at the subject, and it reported that vaccines were available for the prevention of rabies, that blood tests could show whether the vaccine had taken and that microchips could identify whether an animal was the one mentioned in a vaccination or blood test certificate. The Select Committee concluded that

"scientific advances since the Waterhouse Report now make it not only feasible, but desirable, for the UK to permit anti-rabies controls based upon vaccination and blood-testing as an alternative to quarantine for pet dogs and cats arriving from other EU countries and all other countries internationally recognised to be rabies-free and carrying out appropriate policies to maintain their rabies-free status".

That report is before us today to help inform our debate.

The then Government welcomed that report, but concluded that the changes proposed were premature. The Conservative Government argued that the eradication programme in the European Union had not been completed. They said that new arrangements for importing traded cats and dogs to the UK were still untested. They said that similar relaxations recently introduced in Norway and Sweden were also untried.

Whatever the case may have been at that time, those objections surely have little force today. Highly respected bodies—including the British Medical Association, the Royal Society for the Prevention of Cruelty to Animals and the British Veterinary Association—have argued that the time has come for a re-evaluation.

When we came into office, the Government were aware of strong opposition to quarantine among many pet owners, but aware also of deep fears among those who support the existing system. To help to reconcile those views, my predecessor called for a scientific assessment of the risks that we run under the policy of quarantine and under five other options. It is, perhaps, remarkable that that had not been done previously, and I pay tribute to my right hon. Friend, now the Minister for the Cabinet Office, for his decision. Professor Kennedy chairs the advisory group on quarantine that conducted the review. On 23 September, I published his report "Quarantine and Rabies: A Reappraisal". The report is an excellent and thorough analysis which gives a sound basis for conducting the public debate. I commend it to the House, and am most grateful to Professor Kennedy and all the members of his group.

The essence of the report lies in the first two of its 41 recommendations. It recommends an alternative system for bringing pets into this country from the European Union, European Economic Area and rabies-free islands. For such animals, the alternative system gives safeguards equivalent to quarantine, which would be abandoned for those areas. That would apply both to pets taken from Great Britain to those countries and then returning, and to pets coming into Great Britain from those countries if they satisfy the same conditions.

The key to the new system will be certification showing, first, that the animal is identified by a microchip; secondly, that it was vaccinated against rabies at or over three months of age using an approved vaccine; thirdly, that it has had a blood test to confirm the effectiveness of vaccination carried out at least six months before entry into Britain; and, finally, that it has had treatment against ticks and a parasite no more than 24 hours before entry. The reasoning behind the requirements is well set out in the report. Of course, we shall have to review them in the light of comments on the report, but the basic structure of identification, vaccination, and certification is fundamental to any new system.

In considering the options, the group recognised that even the present system is not risk free, because smuggling clearly occurs. It found that its recommended alternative did not involve any significant increase of risk. It could make no assessment of the impact of smuggling in the modern environment. This is a personal view and not something on which the group felt able to advise me, but I think that some of the incentive to smuggle lies in the six-month period of separation. People do not want to be separated from their pets, and some of them, foolishly and wrongly, decide to try to circumvent the law by smuggling. It logically follows that, if we can find a legal alternative that does not require separation, at least part of the incentive to smuggle will be removed. We are, therefore, providing a further public safeguard, rather than undermining the protection of the public.

Mr. Dale Campbell-Savours (Workington): If anyone needs evidence of what is going on with smuggling and its vast scale, particularly in respect of cats and dogs, they need only ask around confidentially in the expatriate English-speaking communities in any capital in Europe. One of the reasons is that to which my right hon. Friend alluded, but there is another: it can cost between £1,000 and £1,500 to put a cat away for 15 months. Most people cannot afford that, which is why they have to smuggle, sad as it is. I look forward to a change in the law because it is desperately needed.

Mr. Brown: My hon. Friend is on the right track. It is difficult to estimate accurately how many pets are smuggled because of the nature of the activity. To judge from anecdotal evidence of the sort that he mentioned, it is a problem and, at least in part, the desire to avoid separation between pet and owner is the motivation. If we can put in place a system that avoids that motivation, we may diminish the amount of smuggling, and, because ours is a tested route, diminish risk to the public.

Mr. Edward Garnier (Harborough): I congratulate the right hon. Gentleman on his appointment. While I agree broadly with the hon. Member for Workington (Mr. Campbell-Savours), does the Minister accept that the Government need to maintain a system of emergency regulations in the event that an outbreak of rabies occurs in a given geographical area? Will he ensure that, if he goes through with the reforms posited in the Kennedy report, any collection of emergency regulations will not damage activities, such as farming, more than the evil from which protection is sought?

For example, the Government might intend to ban at short notice all animal movements within a given area. That could have a direct effect on horse race meetings and

[Mr. Garnier]

other equine events, such as Badminton and Burghley by Stamford. While taking every care to prevent the spread of rabies, the Government should not simultaneously damage the economic value of activities involving horses.

Mr. Brown: I take the hon. and learned Gentleman's point and thank him for welcoming me to my new position.

The emergency regulations are designed to deal with a rabies outbreak after it has been identified. They do not take into account the source of that outbreak—although the appropriate authorities will prosecute those who caused it. We do not intend to change the emergency procedures for dealing with an outbreak or to alter the criminal sanctions that are already in place regarding smuggling. Those people who attempt to smuggle animals into the country in defiance of the rabies regulations are being very selfish and foolish, and I deplore their actions.

The Kennedy group considered other options, but they were found to carry a greater risk and, therefore, were not recommended by the group. The Kennedy group rejected the option of simply reducing the quarantine period to one month. It did not find a system of identification, vaccination and certification to be a good enough safeguard for pets coming from every country in the world. Indeed, the report advocated European Union action to put adequate controls in place against animals coming from third countries, including the candidate member states. However, it recommended a further study of the number of animals that might come from North America, and a risk assessment in light of that. That seems to me to be a reasonable recommendation.

The group envisaged controls coming into force at the port of entry, and was very clear about the need for proper enforcement. Any scheme that is introduced to parallel existing quarantine rules will rely on enforcement, and I am determined to ensure that enforcement features strongly in any such scheme.

Upon entry, the pet and its certificate would be presented to an official whose sole responsibility would be to check imported animals. Although nothing has been firmly decided in this area, the House will want to know that it is pretty certain—as certain as we can be at this stage—that, if such a scheme were to come into effect, those officials would come from the Ministry of Agriculture, Fisheries and Food. The official would read the pet's microchip number and check it against the certificate. Provided that they matched and the certificate was satisfactory, the animal would enter the country without further ado.

In order to avoid any doubt, I stress that the Kennedy group did not propose—and the Government would not accept—anything that would imply a green channel whereby animals would be waved through. That is not the proposal on which we are consulting. Animals that failed to meet this simple requirement, for whatever reason, would be quarantined for six months or until such earlier time as their certification was shown to be in good order.

It is important to stress that quarantine would remain the rule not only for pets coming from most countries outside Europe, but for animals that failed to meet the new requirements in full. If animals failed to meet the requirements, they would go straight into quarantine.

Mr. Alan Clark (Kensington and Chelsea): I am grateful to the Minister for giving way. This may be an appropriate moment to congratulate him on his new position. I was in the House when he made his maiden speech from the Opposition Benches, which roughly coincided with my own debut at the Dispatch Box.

I was interested to hear the Minister say that it would be his Department's staff who monitored compliance with the new regulations or criteria. It is clear that that will be an expensive matter. As he knows, the considerable delay envisaged in the report has been the subject of objections and is a matter of great concern. During his opening speech, will he tell us that he has already started the costing of the arrangements; that he is making allocations in the next public expenditure survey round for his Department's proposed expenditure; that there is a realistic progression of stages leading to the implementation of the new proceedings; and whether those can be accelerated?

Mr. Brown: I thank the right hon. Gentleman for welcoming me to my new duties and thank him even more for having sat through my maiden speech, which was delivered in 1983 at around midnight, if I remember correctly.

Mr. Clark: It was memorable.

Mr. Brown: It did not strike me as being memorable, although I did have one good joke. I have been telling it ever since and it has carried me a long way.

The arrangements will have to be paid for, of course, and I shall talk about costs later in my speech and deal with the main thrust of the right hon. Gentleman's question then. When I referred to the official being a MAFF official, it was not to invite the House to go through the Department's whole budget to see whether existing resources would cover the money to pay that official, but to make the point that the official would be dedicated to that specific duty and that it would not be added to the responsibilities of other officials who have duties at points of entry. The Government will take enforcement extremely seriously.

One of the Kennedy report's most important recommendations is for a large-scale education and publicity programme. Everyone who might use the system, as well as those operating it, will need to know the rules well in advance. Otherwise, people will try to bring in pets that do not qualify and there will be chaos and ill feeling at the point of entry, as pets are refused entry and sent straight into quarantine. The group recognised that the new system could not be brought in overnight and recommended that up to three years be taken to get it up and running. Sites at port should be ready, staff recruited and trained and the public properly informed. I shall return to the issue of timing later.

The group emphasised that its proposals must be viewed against our obligations within the European Union. I am also mindful of our special obligation to

Ireland, with which we have a common land border. I am grateful to the group for covering several detailed aspects that are often left by the wayside when quarantine is discussed.

As to the Government's response to the report, without pre-empting the public consultation, I am sympathetic to the case for change. In the light of the Kennedy report, we cannot maintain the status quo, nor can we any longer argue that quarantine is the only way in which to protect our country against rabies. I do not see how we can keep our current system unchanged when there is a less onerous alternative that gives rise to no greater risk and, indeed, has some advantages over the current system.

The report confirms that we have the scientific knowledge and techniques to take the necessary precautions against rabies. Many have said that before. That is not the key issue, even though some important technical details remain to be settled. The report treads new ground in its emphasis on implementation and the effects of change. It puts that into context through its risk assessment, which helps us to devise a new system and warns of the points to watch. Compliance with the rules is essential to the success of any scheme, but particularly this one.

First, we have to be ready for a vast increase in the number of pets taken to and fro. The report assumes that the number of animals might reach 250,000, rather than the 8,000 that currently go into quarantine. That would be in line with the Swedish experience. Gearing up to deal with that number of animals is a task we cannot afford to underestimate. Secondly, vaccination and blood testing are not infallible. Checking remains important and we shall have to consider how that is best carried out. I am determined that we should remain a rabies-free country with strong safeguards against the disease.

Thirdly, we must be ready for people who are willing to break the law. The report recommends that we should check the certificates of every animal coming into the country and makes further recommendations designed to make enforcement easier and more effective. The problem lies not with pets going to, and coming from, rabies-free countries, but with the difficulty of distinguishing those animals from others that carry a risk. Following up the report will therefore not be a straightforward task.

When we published the report on 23 September, I announced that we were inviting comments by 31 December. We are anxious to have reactions to the proposals. We have already received more than 300 responses from more than 20 countries and expect many more. I welcome today's debate as part of that process.

Mr. Eric Forth (Bromley and Chislehurst): Will the Minister give way?

Mr. Brown: The House would probably like to know how the consultation is going. Eighty-seven per cent. of the responses are broadly in favour of change as proposed by the Kennedy report, but not going beyond that; 10 per cent. are opposed to change, mainly on the grounds that they do not have pets and do not want to be placed at any risk by other people's pets, and 3 per cent. made neutral points. I give way to the right hon. Member for Bromley and Chislehurst (Mr. Forth).

Mr. Forth: Will the Minister give us his view on paragraph 11.9.1 of the report, which says:

"We understand that the Minister may wish the animal owner to meet the cost of any enforcement under any new system",

and goes on to offer observations? It would be useful if he told the House whether he believes that it would be proper and reasonable for the users of the system to pay the full cost and that the cost should not fall on the taxpayer.

Mr. Brown: That is a fair point, which parallels that made by the right hon. Member for Kensington and Chelsea (Mr. Clark). I am about to deal with that matter in terms that will brook no misunderstanding. I assure the right hon. Member for Bromley and Chislehurst that I shall not equivocate on that issue—because the Chancellor of the Exchequer will not let me.

Mr. Forth: Good man.

Mr. Brown: I thank the right hon. Gentleman for confirming that the Chancellor is a good man. I strongly agree with that.

While consultation continues, we are doing some preparation and taking a hard look at all that would have to be done to put a new scheme in place. We must concentrate on three aspects at this stage. First, there are legal issues to be resolved. We must be sure that what we do is compatible with European Community law. I am keeping the Commission informed of progress in my Department. We also need to consider how we shall link together the three systems that might in future apply: quarantine, the so-called Balai system for traded cats and dogs and the new arrangements for pets based on vaccination and certification. Linked with that is the need to specify certification that we will have to ask other countries to provide.

Secondly, the pet owners who benefit from the new system will have to pay for it. I hope that that is sufficient answer to the question asked by the right hon. Member for Kensington and Chelsea.

Mr. Alan Clark: That is an interesting and perfectly legitimate response. If that is the case, surely the pet owners—the paymasters—can determine to a far greater extent than if cost were a matter for the right hon. Gentleman's Department when the measures will come into force, and plainly they will want that to happen at the earliest opportunity. Since pet owners can no longer be put off by the explanation that the scheme will take a long time to put in place and the provisions must be passed through the public expenditure survey and the Chancellor, surely there are good grounds for accelerating the implementation of the measures.

Mr. Brown: I am keen to do what I can to meet the legitimate aspirations of pet owners, but my primary concern is to protect the country from rabies. The interests of my fellow citizens and public health and safety come first, and within that I shall consider what can be done to meet the legitimate requests of those who own pets and want to take them abroad. Professor Kennedy's report will inform and advise decision making in the Department.

However, the fact that pet owners will have to pay for the new arrangements does not mean that they can set out their terms and conditions. Under the existing system, it

[Mr. Brown]

is a requirement not only that pet owners are separated from their pets for six months if they have brought them in from abroad, because of the quarantine requirement, but that they pay for quarantine. The state does not pick up the cost of those arrangements, which can be quite high—£1,600.

Currently, anyone who wishes to bring a pet into the country is required to pay. It does not seem unfair and unreasonable, therefore, for the arrangements to continue if the test and the public protection arrangements—and that is what they are—are to operate differently from the quarantine procedures when we deal with the European Union.

Mr. Tim Loughton (East Worthing and Shoreham): Can the Minister confirm the valid point that he is making—that at the moment, there is a cost to the Exchequer of inspections of quarantine kennels and the like, so the present system is costing us in any case?

Mr. Brown: What the hon. Gentleman says is completely right. There is a cost to the Exchequer of kennel inspections, and that cost will continue to be incurred—although its extent might be different under the new arrangements—because Kennedy does not propose, and the Government are not considering, the abolition of quarantine.

Quarantine will remain for animals coming to the UK from countries outside the scheme. It will also be needed for animals brought in by people who believe that their pets comply with the regime, but find that the pets do not. Those pets will go into quarantine, and the obligation will be on the owner to be able to show that the pet can be brought into compliance—perhaps by providing the certificate that they left outside the country—but the effect will be the same. They will have to be able to comply with the new arrangement or the old arrangement will carry on, and I am afraid that they will be charged for it.

The third aspect that the Government will need to consider closely is the question of the time that will be needed to put the new arrangements into place. The Kennedy estimate—three years—seems a long time. I am examining the case for an earlier pilot project—perhaps funded at a premium—to establish new arrangements, or perhaps one covering a limited number of animals. These are early days. I am considering the possibility of speeding up progress—at least for part of the scheme. However, I ask the House not to underestimate what needs to be done. I emphasise that the project is being driven forward by considerations of the safety of the public in the United Kingdom—not by the views of others who will benefit from the project.

Dr. Nick Palmer (Broxtowe): Does the Minister agree that, if it is known that quarantine will shortly be abolished for some categories of country, the temptation to smuggle will be much increased in people who—perhaps having served in the Army abroad—have been waiting a long time to return a pet? They will think, "This system will die anyway in a few months, so why should I go through all that?" If it is possible to accelerate the process for an especially urgent case of that kind, it might help increase security.

Mr. Brown: I do not think that it is fair to describe the desire of individuals to move now and bring their pets with them as urgent in the sense of public policy. I hope that nothing that I say in the House today will give any comfort to anyone who has smuggled animals or is even thinking about it. If they are caught they will be punished, and punishment can involve custodial sentencing. A more likely outcome of today's debate, and the broader understanding that the Government are minded to agree to change and reform, is that those who can adjust their travel arrangements will wait a little to see whether a scheme comes on stream that is more acceptable to them than the existing quarantine arrangements.

I agree with my hon. Friend that the quarantine arrangements are very harsh if they are not strictly necessary for the protection of the public. Professor Kennedy and his group have made a very persuasive case that, at least in the context of the European Union and other rabies-free islands, the case for continuing the existing arrangements is pretty weak. Substitute arrangements will be put in place.

Mr. Brian White (Milton Keynes, North-East): Many rabies-free countries are not islands. Has the Minister considered, in the consultations, including some more of those countries in the scheme?

Mr. Brown: The Government proposal will have to be very area specific when it is set before the House, and I shall consider those questions of nuance when the consultation is finished. However, if I err, it will have to be on the side of the safety of people in the United Kingdom, not on that of people's desire to move their pets around.

I have made a specific comment about arrangements in north America, which is the pretty obvious great exception to what is proposed. Very reasonably, Kennedy asked for a further look to be taken at that, and I find that request very persuasive. Rabies is endemic in wildlife in north America, but those who travel from north America—perhaps to work in this country, for business reasons or to take an extended holiday—are very unlikely to keep a rabid animal in their household as a pet, and veterinary standards in the United States are very high indeed. It is not beyond the realms of possibility that we shall be able to devise a parallel system for north America, but that is for the future.

I shall now discuss arrangements for establishing the new system. We must gear up ports to receive arrivals in a way that is compatible with the rules that we intend to impose. We shall need to install facilities and procedures, which will, I am afraid, slow down pet owners. Currently, ports usually move people through as fast as is compatible with the duties of Customs and Excise and immigration controls. Pet owners will have to do something different from other travellers: there will be a separate official for them to see.

We must tell other countries about the certificates that they may need to provide for those of their nationals who want to bring pets here. We must consider the diseases, other than rabies, that dogs and cats may carry. Moreover,

we want the arrangements to be agreed for the whole of the British Isles, not for Great Britain alone. None of the details to be worked out seem to carry with them insuperable obstacles.

Mr. Robert Key (Salisbury): Eurotunnel and Eurostar got in touch with me today to say that the concept of Eurotunnel was designed specifically with such changes in mind, and that they could implement the regulations very quickly indeed. Eurostar would be delighted to offer its services for a pilot study.

Mr. Brown: That is excellent news, and I am grateful to the hon. Gentleman for that helpful suggestion. I shall arrange to get in touch with Eurotunnel and Eurostar through the Department to discover whether we might devise such a scheme. It seems logical that, if one were to set up a pilot project, the terminal at Waterloo and embarkation at Paris would be suitable—but I seem to remember that Eurotunnel also stops at Ashford and Lille, so the latter might be better. As I have shown, the details are best not worked out over the Dispatch Box. There is at least a possibility of a pilot project, which will be explored.

In the meantime, we have no choice but to continue to apply the existing laws; I hope that no one is under any illusions about that. We shall move as fast as we can, depending on the outcome of consultation, but quarantine will stay until we have something as effective to put in its place. Madam Speaker—I am sorry, Mr. Deputy Speaker is in the Chair. How easy it is to lose friends in this place! Mr. Deputy Speaker, I am grateful to the Leader of the House for arranging the debate. I know that other hon. Members want to take part. I take the views of Members of Parliament from both sides of the House on such a topic very seriously indeed.

4.49 pm

Mr. Tim Yeo (South Suffolk): I thank the Minister warmly for the welcome that he extended to me at the start of the debate. I assure him that the Opposition are ready to support any measures that address the acute problems which have arisen in the industries for which his Department is responsible.

I take this opportunity of offering the Minister an apology for mistakenly suggesting earlier this month that he was once a member of the Campaign for Nuclear Disarmament, a mistake that he hastily pointed out to me. In making that suggestion, I had his own best career interests in mind, because I was seeking, with some difficulty, to find aspects of his early career that he shared with the Prime Minister. Nevertheless, I regret the error.

This is the Minister's first chance to speak in the House since the summer recess started three months ago. It is a matter of some regret that in this, his first debate since the recess in Government time, the subject is quarantine. It is an important subject of course, but I cannot believe that, in House of Commons terms, it is particularly urgent, since the consultation period does not end until 31 December. That will be noted by farmers up and down the country. They will be puzzled—[HON. MEMBERS: "Oh."] The reaction of those on the Treasury Bench who are trying to deride this important point is extremely instructive. Farmers throughout Britain will note and be puzzled about why the Government and the Leader of the House, and possibly the Minister, think it more important for Parliament to discuss quarantine this afternoon than to address the crisis in agriculture, which became so much worse during the parliamentary recess.

Mr. Nick Brown: I am grateful to the hon. Gentleman for his kind words about me and for putting the record right. I am not and never have been a member of CND. On the question of the difficulties that the agriculture sector is experiencing at present, I and my Department have been working hard on those very issues and, at an appropriate time, I shall come to the House and have something of significance to say. Farmers are looking not for a debate, but for answers. When I can, I shall come to the House and say what I am able to do.

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. Now that the point has been made about the farmers and it has been responded to, we can go on to quarantine.

Mr. Yeo: I am grateful to you, Mr. Deputy Speaker, for your guidance. In reverting to quarantine, I would just say that the Opposition are not at all reluctant to debate agriculture, as we hope to do next week. We look forward to the Minister's statement in due course.

The Opposition fully recognise the powerful case for reforming the present laws. Matters have moved on since the previous Government considered the issue. I endorse the Minister's appreciation of Professor Kennedy's report. We fully accept that the onerous restrictions imposed by the current quarantine requirements cause real anguish for many pet owners—for families who have to live abroad for professional reasons and particularly for those in the armed forces who serve this country. For all those people, the system is an extra burden on top of those that they already carry.

We are mindful of the example of Sweden where there is now a certain amount of experience and where the determination to exclude rabies matches our own. We also have the 1994 report of the Select Committee on Agriculture, which reached the clear conclusion that an alternative to the existing arrangements was desirable. I also accept the force of the argument that a change in the regulations will reduce the incentive for owners misguidedly to try to smuggle pets into Britain.

The Opposition will support the removal of the present tight controls subject to two essential conditions. First, the ending of the present restrictions on the movement of animals should not increase the risk that rabies will enter Britain. I warmly welcome the tone in which the Minister has assured us that that is also his concern. Secondly, the practical arrangements needed to make the proposed new system work should be feasible, realistic and watertight and not be a burden on the taxpayer. That point has already been raised by Conservative Members, and the Minister has said that the pet owner will bear the cost of the new system. I am glad that, on this matter, there has been no equivocation from the Chancellor of the Exchequer. I hope that the Minister's right hon. Friend is equivocating like anything over some other matters which he is no doubt debating with him at the moment.

The question of risk is clearly the overriding consideration, and I have read the relevant chapter in the report. As the Minister said, no responsible Government

[Mr. Yeo]

would wish to be the instrument by which the country lost the freedom from rabies that it has enjoyed for almost the whole of this century. I do know how concerned the Government are with risks, even with quite small risks, as we have learnt from their imposition of a ban on beef on the bone. That ban was imposed despite the risk of dying from eating beef on the bone being less than the risk of being struck by lightning. The Minister will be familiar with the Opposition's view, which is held as strongly today as when last expressed, that that ban should be lifted.

I assume from what the Minister has said and from my reading of the report that it is the Government's view that, since the risk of eating beef on the bone in the past year was unacceptable, the risks that might arise from ending the current quarantine arrangements—I appreciate that we are not abolishing quarantine altogether, but we would be proposing a substantial relaxation of the arrangements in respect of some countries—are even lower.

Mr. Nick Brown: Strictly speaking, comparing like with like, I cannot truthfully tell the House today that the Government have measured the risks identified in Professor Kennedy's report against the risks of consuming beef on the bone. A direct comparison is not quite so easy as the hon. Gentleman suggests. If he studies Professor Kennedy's report carefully, he will see that the risk assessments cover a pretty wide range.

Mr. Yeo: I am grateful to the Minister for that clarification. It is a point to which we might wish to return later. I am sure that the Minister agrees that the emphasis must be on making only those changes that do not impose any measurable risk. One important difference between the two examples in my comparison is that a risk that results from eating something is more or less run knowingly, while a risk from rabies might be outside one's control.

A number of detailed aspects arise with regard to the effectiveness of the practical arrangements proposed. The first concerns the position, which might arise, of a British pet returning to Britain from another EU country. From what I have read and heard so far, I am not clear how the checking station at the port of entry, say, Dover, will know whether, during the time that the animal has spent abroad, it has been outside the EU to a third country that might not be rabies free. It is at least possible that checks on animals re-entering the EU—outside Britain—might be rather less rigorous than those envisaged for the UK. So a UK resident who had a second home in another EU country, as a growing number do, and who might spend a substantial part of the year there, say six months—

Mr. James Paice (South-East Cambridgeshire): Tuscany.

Mr. Yeo: I believe that that is favoured by a number of the Minister's colleagues. If the cat had not mysteriously disappeared from No. 10 Downing street—who knows?—it might have been favoured with a trip to an expensive villa in Tuscany where it might have received extremely generous hospitality.

Mr. Nicholas Winterton (Macclesfield): A retirement scheme.

Mr. Yeo: Possibly so. Anyway, a British resident who made an extended visit to another part of the EU might, during the course of that visit, travel from there to a non-rabies-free country, return to the EU country where the second home was maintained, and then return to Britain. I should be interested if the Minister could give assurances about such a situation, which might easily arise.

Mr. Brown: One of the conditions of the scheme proposed by Professor Kennedy is that the animal must be inside the European Union or one of the islands referred to in the scheme for at least six months. It will have to have been vaccinated, the effectiveness of the vaccine will have to have been checked, and the animal will have to be deloused 24 hours before coming in, so that parasites that might carry rabies or other equally damaging diseases will be killed off. The safeguards proposed by Professor Kennedy are severe.

Mr. Yeo: I understand that. I have read the safeguards, and I have a continuing concern about the first one, which stipulates that an imported animal should have been in an EU country for the six months before it enters Britain. I am not clear how that fact will easily be verified at the point of entry into Britain. In trying to avoid the risk that an animal might not have been continuously in the EU for the previous six months, there is a danger that we will effectively be relying on standards at every point of entry into the EU to be as stringent as ours. The consultation is no doubt intended to cover such points. There is a loophole which I hope will be dealt with.

My second concern relates to the possible enlargement of the European Union. If countries where rabies exists were admitted as EU members, how do the Government envisage that the safeguards will be maintained? Can the Minister say whether any of the countries likely to negotiate EU membership are not rabies free? Does he agree that, unless a special system of protection is established, the admission of a non-rabies-free country into the EU could drive a coach and horses through the controls that are envisaged?

In that connection, will the Government publish a list of countries outside the present EU that would qualify as rabies free? The list that is envisaged does not precisely coincide with the list defined by the World Health Organisation as rabies free. It would clearly be helpful to know which countries are envisaged.

My third concern relates to the technology that will be used to identify animals. My hon. Friend the Member for South-East Cambridgeshire (Mr. Paice) will deal with the matter in more detail in his speech, so I shall flag it up briefly at this stage. I understand that more than one type of microchip is already in use. Is that likely to cause practical difficulties?

Like other hon. Members who will no doubt take part in the debate, I have a constituent who runs a quarantine kennel. Miss Valerie Sheldrake has raised her concerns

with me, one of which relates to the microchip. She suggests that it can move around inside an animal and could be reprogrammed or replaced. I hope that the Government will comment on that risk in due course. Like many other kennel owners, Miss Sheldrake points out that she has invested heavily in the facilities that she provides for quarantine. I hope that the Government will take account of her concern about the future of her own and other people's investments.

It would be interesting to know what proportion of the animals that currently go into quarantine—about 8,000 a year—would still have to do so if the new system were adopted. It is clearly impossible to forecast how many animals will be brought into the country in the future. The Minister referred to 250,000. I assume that, whatever the number, the Government will be flexible about the number of staff needed to maintain the new controls adequately, given the assurance that we have received that the costs will be borne by the pet owners, not by the taxpayer.

The Opposition support in principle the case for a fundamental change to the quarantine laws. We believe that the change should take place only when the legitimate concerns about the risks and the effectiveness of the arrangements proposed have been satisfied. I welcome the way in which the Minister has addressed the problem, and the tone of his comments and his reassurances. We welcome the fact that the consultation is taking place. I hope that that will help to meet the concerns that I have outlined.

5.4 pm

Mr. Gwyn Prosser (Dover): I add my congratulations and welcome to my right hon. Friend the Minister on his first outing. He might remember coming down to my Dover and Deal constituency three months before the election and introducing me to the now famous pager. Much water has passed under the bridge since then.

One could easily be tempted to treat the subject of quarantine and the potential spread of rabies in an alarmist and emotive manner. I know that, in previous debates in the Chamber, that has happened. I shall avoid that temptation, but we cannot avoid the reality that rabies is, as Professor Kennedy states,

"still a horrific disease in animals and man".

That has been acknowledged in the debate.

We should not ignore the fact that, last year, there were more than 100 reported cases of rabies in mammals in EU countries, and more than 3,000 reported cases in central and east European countries. No one would deny the seriousness of the subject, and the need to approach the changes and relaxation of controls with care and consideration. The Kennedy report reflects a measured approach. I am sympathetic to the animal welfare case presented by the Royal Society for the Prevention of Cruelty to Animals.

My constituency, Dover, is in the front line in the importation from mainland Europe of animals that might be infected with rabies. Officials in the port of Dover are committed to preventing the illegal importation of animals. East Kent has a significant number of boarding kennels which are licensed to hold animals in quarantine and whose primary business has evolved to meet the Government's requirements in respect of the existing quarantine laws. The vast majority of those kennels meet the high standards of care required of them.

There are some 80 licensed kennels in the United Kingdom. Almost 80 per cent. of those are members of their representative body, the Quarantine Association. The association understands the need for change, and wants the Government to understand the implications for its members' business if the sweeping changes proposed in the Kennedy report are implemented in full.

Mr. White: Given that the number of animals coming through the port would be much larger, does my hon. Friend agree that one of the ironic consequences of introducing the new system might be more animals in quarantine than there are at present, because they would fail the strict conditions laid down by the Government?

Mr. Prosser: I thank my hon. Friend for that comment, but we would have difficulty convincing the kennel owners whose businesses go bust over the next three or four years that the proposals contain good news.

The kennel operators want to draw on their considerable experience and make positive and practical responses to the consultation, but they are deeply concerned about the uncertainty that will affect their businesses over the next few years. Kennel owners and their employees are worried about the impact of the changes on their businesses and the consequent loss of jobs. They realise that the present system, which has been in use since the turn of the century, is out of date and needs modernising, but they are anxious that all the necessary infrastructure should be in place before any new arrangements are implemented.

I was a little alarmed to hear suggestions from my right hon. Friend on the Front Bench about accelerated schemes, hurrying up the system and filling the channel tunnel with cats and dogs. We have had the present system for 100 years, and it is less than 100 days since the report was published. We should make a considered response and let the consultation process take its course over the next two months. We should listen to all the arguments, rather than rushing into change under pressure from a few particular lobbies.

While the association realises that the system needs reforming, kennel owners, and their association, have raised a couple of specific concerns. One that has been mentioned this afternoon involves lax border controls. An animal could be taken from one area to another and falsely licensed. The Minister has given some assurance on that in respect of the six-month rule, but we shall have to consider it a little more closely.

Mr. Loughton: I fully appreciate the interests of quarantine kennel owners in the hon. Gentleman's part of the country, but to coin a pun, one does not want to let the quarantine kennel owner's tail wag the animal welfare dog. Can he suggest a scheme allowing the 50 per cent. of quarantine businesses that will be lost under the proposals to receive some form of decommissioning compensation, perhaps along the lines of the scheme for the fishing industry? Is the hon. Gentleman in favour of that, and will he press the Minister for such a scheme?

Mr. Prosser: The hon. Gentleman has anticipated issues that I shall deal with later in my speech.

The second issue is the possibility that an animal owner living in, say, France might do a tour of central and eastern Europe before returning to France and crossing the channel. Can the Minister reassure us about that risk, which concerns proof of residence?

[Mr. Prosser]

Kennel owners have also voiced concerns about the proposed means of validating incoming animals. Last year, 150,000 pets entered the country through the port of Dover. The bulk of them entered during the busy summer period. There would be major problems in dealing with the increased number that would result from the changes.

The proposals have implications for both airports and sea ports. Dover Harbour Board says that it will be pleased to discuss ways and means of handling any new arrangements, but would have to take a commercial approach to any additional facilities or boat space that it might be asked to provide. It emphasises the need to deal with different ports in different ways.

For instance, the recommendation that there should be a dedicated lane for traffic from ferries to the new inspection facility is simply impracticable for Dover, which is the busiest ferry port in the world. Last year, it handled more than 21 million passengers. It has seven berths with seven carriageways serving each "link span", and incoming traffic is separated from outgoing traffic by a complex arrangement of overhead roadways and underpasses. If one adds to that the squeeze on available land, the extreme difficulty of providing dedicated lanes for travellers with pets becomes obvious. However, the port is happy to explore other options for facilities within the port.

Some kennel owners have suggested alternative options. For example, pets could be removed, under appropriate security, to inland sites such as existing quarantine kennels. That would allow adequate space and time for checks, including, where appropriate, blood tests.

Kennel owners have other practical concerns which they want to put to the Government as part of the consultation process. They are particularly concerned about the uncertainty of the present climate of change, which means that they cannot produce business plans, reassure their staff about their future, or invest in their kennels. They rightly feel, having effectively been an instrument of Government policy for so many years, that, if the Government's change in policy now threatens their existence, it is reasonable to expect some decommissioning funding or other special support to help them either to close their businesses in an orderly way and meet redundancy liabilities or to adjust to the new circumstances.

The Quarantine Association believes that full implementation of the proposals would lose its members some 46 per cent. of the market. If the changes are followed by a relaxation in quarantine regulations in north America, they would lose a total of 79 per cent. of their work. Such a dramatic impact would drive smaller kennels out of business. The association anticipates that fewer than 20 businesses would survive and more than 60 would be driven into bankruptcy.

I urge the Minister to consider all the responses to the report so that he can give due regard to the input from the quarantine kennel industry and its staff. I hope that, as he moves towards decisions that may seriously affect the prospects of hundreds of kennel workers across the land, including my constituents in Dover, he will agree to meet some of their representatives and explore ways to ease their difficulties.

5.15 pm

Mr. Roger Gale (North Thanet): May I add my congratulations to the Minister of Agriculture on his first appearance at the Dispatch Box and on introducing this debate in such a non-partisan way? I fully understand the caveat that a significant number of agricultural issues need to be debated in the House, but it would be wrong of any of us to suggest that the issue is not of considerable concern to many people in the United Kingdom, as well as UK expatriates. The attention that the matter is at last receiving is long overdue.

As the Minister reminded the House, Sir Jerry Wiggin introduced the Agriculture Select Committee's report in 1994, when he was Chairman of that Committee. It said that the current quarantine system could no longer be justified and change was clearly overdue. At that time, the all-party parliamentary animal welfare group, which I had the privilege to chair, made it plain that we supported that view, and we have pressed for change ever since. I am delighted that the Parliamentary Secretary, who will wind up the debate, is in the Chamber because he has been a doughty fighter in the cause of change. I hope that my saying that does not embarrass him.

As the Minister said, the status quo is no longer an option. Even in the best quarantine kennels, quarantine is inhumane, to a large extent ineffective, and unnecessary. That is not to say that those of us who support change do not recognise the clear warnings that have been issued and the need to ensure that whatever replaces the quarantine system is every bit as secure as the current system. In that regard, the proposal by Professor Kennedy in his excellent report is not only as secure, but is arguably better.

It has already been said that significant numbers of animals are believed to be smuggled into the country by an increasing variety of means. It may originally have been by private yachts, but latterly it is by cross-channel ferry and, most recently, through the channel tunnel. We are led to believe that it is relatively easy for somebody who wishes to bring an animal into the UK illegally and to avoid quarantine to secure the services of a veterinary surgeon in northern France to have a cat or dog anaesthetised. It can then be put into the boot of a car with a blanket thrown over it, and it will not miaow or bark as it enters the country. We all know that, given the volume of traffic that now comes across the channel, the chances of detection are extremely remote. That is clearly going on, so to suggest, as some do, that the current system is somehow foolproof is very wide of the mark.

There is a tremendous incentive to smuggle animals into the country. The financial penalty of putting an animal into quarantine is £1,500 to £2,000 per animal, and many families have more than one animal. That is a great deal of money to spend for six months. That is not the animal lover's prime concern. What is, especially for the owner of a relatively elderly animal, is the animal's welfare. The owner desires not to be parted from that cat or dog for six months, so, because the animal lover knows that the animal is healthy, there is tremendous incentive to skirt round the rules, in the knowledge that no real harm will be done. However, there is always the danger that harm will be done and what Professor Kennedy is suggesting will therefore probably enhance rather than weaken the existing position.

As an honorary associate of the British Veterinary Association, I attended its annual congress this year. It will not surprise hon. Members to learn that, following publication of Professor Kennedy's report, this issue was a major topic of discussion throughout the three days. The then president of the association made his view plain, and he represents the view of a considerable number of veterinarians, which we should not ignore. Although they are reasonably content for there to be change, they urge haste with caution.

We must put the proper safeguards in place. If something goes horribly wrong, the veterinarians will be right at the sharp end, dealing with the problem. It is therefore not entirely surprising that they, more than some others, are expressing concerns, but whereas they were cautious about the quality of vaccines, the efficacy of blood testing and the reliability of microchips when Sir Jerry Wiggin's Agriculture Committee report was published in 1994, they are now satisfied on all those counts.

Veterinarians are now concerned that implementation is secure, and that the facilities, the trained personnel and the checks and balances are in place to make sure that the system works as Professor Kennedy intends it to. That is a major shift in the opinion of those to whom we should listen most—people in the veterinary profession.

I listened with interest to the hon. Member for Dover (Mr. Prosser). He represents a significant number of quarantine kennels, which are used by my constituents and many others using the channel ports, and I fully understand his desire to represent those interests. There is a significant concern here. It is not so long ago that a television programme "exposed" the Dover and Folkestone quarantine kennels. That was especially unfortunately, as the hon. Gentleman will endorse, because the kennels had changed ownership by the time that the programme was transmitted. The new owners were attempting to clean up the act, invest in and improve the facilities, and bring those kennels up to standard.

Mr. Prosser: Is the hon. Gentleman aware that the exposé programme on Channel 4 was filmed the day after the exchange had taken place? Since then, the new owner, whom I spoke to this morning, has invested more than £90,000 in cleaning up the kennel's act, making it respectable and achieving a caring arrangement. He is a animal lover and a pet owner. He says that he is in it purely for the love of the animals; I will not extend that argument too much, but he is dedicated to providing a careful and proper service.

Mr. Gale: I am very aware of all those things. I visited the kennels, and I hope and believe that I sought the hon. Gentleman's permission before I did so. He has put it clearly on the record that premises change hands, but there is another point.

The hon. Gentleman, having visited those kennels and the catteries, will be aware that there is an on-going programme of investment. I am concerned that, if we do not get a move on and the signals are not clear, and if provision is not made for the quarantine kennel owners, we shall effectively achieve planning blight—legislative blight, in this case.

What kennel or cattery owner will invest more in facilities that he or she believes may be redundant within two or three years? My fear is that, unless we move much more swiftly than has been suggested, standards will deteriorate and, as a consequence, animal welfare in quarantine kennels across the country will deteriorate. Owners simply will not be able to afford to invest, and what bank or lender would lend money to the proprietor of a business that is going to go out of business?

Although I do not seek to over-represent their cause, I believe that quarantine kennel and cattery owners have just cause to look to the House to secure their interests. They have been, effectively, acting on behalf of the Government, doing the business and the bidding of the regulatory process. People such as me have called on them to invest more, raise their standards and make sure that the animals in their care are well cared for. Having done that, we now have a responsibility to them.

As I suggested to the Quarantine Association a couple of years ago, it is possible to look to Europe, because we shall effectively be harmonising our regulations with those throughout the rest of the European Union, to allow freer movement of animals. If we are to do that, there is no reason why the EU should not look favourably, as it has on other agriculture issues, at what would be a modest contribution in European budgetary terms but what would be significant to the owners in terms of compensation for likely loss of business.

I want the process to be speeded up. I do not believe that it is necessary to take three years to get moving, and I am pleased that the Minister of Agriculture, Fisheries and Food is already considering staffing costs and ways of bringing the process forward. It should be possible to introduce a pilot scheme swiftly—not at the channel tunnel, but at either the port of Ramsgate or the port of Dover, as I proposed two years ago.

Four years ago, we proposed a pilot scheme on this basis: initially, but not for ever, quarantine kennel owners should collect animals from the port and take them to their kennels to hold overnight for blood tests and identification checks. There could be a problem at the ports. I do not want to make too much of another issue, but the port of Dover and other ports will be faced with the ludicrous imposition by Brussels, with the support of the Member of the European Parliament for East Kent, of the passenger registration system. That will cause interminable delay when it is introduced, and, not a green channel, but a channel for people with animals, would also cause severe delay.

I believe that the Minister could say now that those who can demonstrate, as Professor Kennedy requires, that their animals have been vaccinated, blood tested and microchipped should be able immediately to take advantage of such a system, provided that they are prepared to put their animals into quarantine kennels for a brief holding period while blood tests and identification checks are carried out. That would mean that we could take the heat out of the risk that was highlighted earlier and start immediately, rather than wait and risk further smuggling.

I go further: there is no reason whatever—my hon. Friend the Member for Salisbury (Mr. Key) may want to touch on this—why, given the services of the Royal Army Veterinary Corps, service men serving overseas should not immediately be allowed to embark down this road.

Dr. Jenny Tonge (Richmond Park): I want to clarify a point. The hon. Gentleman suggests that animals should be blood tested on arrival in the United Kingdom.

[Dr. Tonge]

I thought that the idea was that they should be blood tested six months before, and that a microchip should be inserted. They would then have to go through a process similar to the use of a bar code in a supermarket.

Mr. Gale: The hon. Lady is right: that is Professor Kennedy's intention, and I am sure that that is what we shall arrive at. I am suggesting an interim measure to allow a pilot scheme to begin immediately, without the full ramifications of having to appoint and train staff and build and provide holding facilities at ports. If we have to wait for all that, there will inevitably be considerable delay.

I am suggesting to the Minister a way of getting this process up and running now without having to wait. If he can do that, it will enable him and his colleagues and veterinarians to study the process in practice. It will allow systems to be established for identification, vaccination and blood checks, and it will enable parasitology measures to take place, which are important as we are dealing with other problems as well as rabies. The sooner the Minister can get on with the job, the better, and I hope that he will be able to do so.

5.30 pm

Mr. Colin Pickthall (West Lancashire): I congratulate my right hon. Friend the Minister of Agriculture on his exemplary introduction to the debate. From what he said, I am sure that the process will be dealt with cautiously and in great detail. The hon. Member for South Suffolk (Mr. Yeo) apologised to my right hon. Friend, who was not a member of CND. If the hon. Gentleman is looking for targets, I am a minor one, because, like the Prime Minister, I was a member of CND. Unlike the Prime Minister, I still am a member—at least, I think so, because it seems to have given up collecting subs in the past few years.

I am glad of the opportunity to speak in favour of the recommendations in the Kennedy report—I have one or two minor reservations—and to congratulate his advisory group on the thoroughness of its work. It is remarkable how similar its central proposals are to those made by the Select Committee on Agriculture back in 1994, of which I was a member. There was a debate in the Chamber on 13 July 1995—some six months after the report. It is surprising that my speech and those of my hon. Friend the Member for Bristol, East (Ms Corston), the hon. Members for North Cornwall (Mr. Tyler) and for North Thanet (Mr. Gale), the Minister and the Chairman of the Select Committee, Sir Jerry Wiggin, if they had been made again today word for word, would have been directly germane to the discussion of the Kennedy report.

A couple of weeks ago, my good friend, Mrs. Mary Rees, the chairman of Lathom parish council in my constituency, told me that she was still nervous about the prospect of rabies. A decade or so ago, when it became clear that the channel tunnel was an inevitability, she expressed deep foreboding, in whatever forum she could find, about rabies entering the country. She had worked out that a fox can travel about 25 miles in a night, so, within 10 days, a rabid continental fox could be in Lathom—where, of course, it would want to go.

The Select Committee visited the channel tunnel before it was opened. We went inside it and saw that it was the one entry point where it was impossible for animals to come in unless they were deliberately smuggled in. It is ironic that there may be a pilot scheme through there, given that the company spent £20 million on defences against animals being brought into the country through the channel tunnel.

The fact that Mary Rees is still worried, and no doubt reflects the worries of many thousands of British people, shows the deep-seated and instinctive fear that rabies inspires.

Mr. Key: Has the hon. Gentleman pointed out to Mary Rees the evidence on page 224 of the report, which suggests that even she may not have to worry too much about this matter? It states:

"if 1000 dogs are imported each year one would expect that on average a dog incubating rabies might enter the country once every 1250 years."

Mr. Pickthall: Mary Rees is an elderly lady, but not quite that old. I am grateful for the hon. Gentleman's intervention, and I shall point that out to her to ease her mind.

As I said, there is a deep-seated and instinctive fear about rabies in this country, which, to all intents and purposes, has been rabies free for a century. That fear was reflected in the evidence given to the Select Committee in 1994 by the then Minister for Agriculture, the right hon. Member for South-West Norfolk (Mrs. Shephard). She was always meticulous in her evidence to the Committee. In answer to specific questions, she said:

"there would be, rightly, an enormous outcry if a relaxation of the system that we already have resulted in an outbreak of the disease".

Of course there would. She said:

"at this stage I am not persuaded that there should be further moves . . . I still believe that the overwhelming public view is that rabies is dangerous and frightening and that this"—

quarantine—

"is the best, most effective way of preventing its outbreak in this country".

She rightly said:

"it is an appalling disease, both for animals and for human beings. I would certainly not want to move in any direction that increased the likelihood of the incidence of rabies in this country."

That is almost exactly the phrase that my right hon. Friend used.

I am quoting the right hon. Lady's perhaps over-cautious responses because they articulated the emotional response of citizens such as Mary Rees. They also more or less articulated my own feelings at the start of the Select Committee inquiry four years ago. Like most of the Committee members, I had a strong prejudice in favour of quarantine. It seemed to me that quarantine took advantage of our island status, it was a sensible bulwark against a horrible disease and it appeared to work. I believed that removing quarantine would seriously undermine public confidence. With the exception of Sir Jerry Wiggin and my hon. Friend the Member for Workington (Mr. Campbell-Savours), the Committee shared that prejudice at the start of the inquiry.

By the time that the then Minister gave her evidence to the Committee at the end of its deliberations, we were unanimous in our belief that the alternatives to quarantine

were infinitely preferable. Most of us had made a substantial U-turn on the basis of the evidence that we had heard. We were convinced beyond reasonable doubt, and we remain so.

We thought that the submission of our report to the Government made that crystal clear, but the then Minister's view prevented further action. It is important that Governments, for the most part, go with the grain of public opinion, especially on such big, emotive issues. However, there are occasions—this was, and still is, one of them—when Governments should take a lead in explaining why an emotional reaction of historic proportions must be tempered by hard evidence and new science.

The previous Government failed on that count, and I am more than pleased that my right hon. and hon. Friends have encouraged the public education process by setting up the reappraisal under Professor Kennedy. I also congratulate the Royal Society for the Prevention of Cruelty to Animals, members of the armed forces, Passports for Pets, the all-party committee and the hon. Member for Salisbury (Mr. Key), who has been meticulous member of that committee. Since 1994, they have taken part in an unwavering programme of public education on the alternatives to quarantine. I believe that that has made strong inroads into public prejudices on the issue. The public are not quite so terrified of possible alternatives to quarantines as they were four years ago.

The central reason why I changed my mind during the inquiry had nothing to do with sympathy for pet owners. Although I do sympathise with them, if the balance were between their natural attachment to their pets and the possibility of rabies, there would be no contest. My main concern, and that of my colleagues, was to recommend the best possible way of maintainin the United Kingdom's rabies-free status. The costs of quarantine, in both financial and emotional terms, were shown to be so huge as positively to encourage the smuggling of animals. My hon. Friend the Member for Workington and the hon. Member for North Thanet both put that point forcefully.

We became more than ever conscious of our vast and indented coastline, with its thousands of small harbours, and the huge increase in the use of small leisure craft and even business craft. Of course the alternatives recommended by the Select Committee, and refined and amplified by the Kennedy committee—vaccinations, blood tests, identification by microchip, health certificates and passports—involve costs, but nothing like the costs of quarantine to the individual concerned.

Whereas quarantine tempts otherwise honourable and honest people to smuggle—dishonest people will always smuggle: it is their business—the alternative gives those same people an incentive not only to comply with reasonable regulations, but to maximise the monitoring of their animals' health. The case for the alternatives to quarantine is not a sentimental response to the emotional ties of owners and pets, nor is it about helping the tourist trade. It is about positively improving our protection against rabies.

As I have said, the case for the Kennedy recommendations was effectively made four years ago, and I think that it was approved by most hon. Members on both sides of the House who followed the issue. My right hon. Friend the Member for Edinburgh, East and Musselburgh (Dr. Strang) and my hon. Friend the Member for Scunthorpe (Mr. Morley), the Parliamentary Secretary, made their general support for the alternatives clear before the last general election. For four years, the case has been examined, in public and in the trade press, and the Kennedy report has now set it out very clearly.

That brings me to one problem that I have with the report's recommendations, which others have mentioned and on which I shall be interested to hear the comments of my hon. Friend the Minister. In recommendation 15, the advisory group said that the new system should not be adopted for, perhaps, three years. I agree with what has been said so far: surely that is much too long a delay. Of course time is needed to get the system right, to train staff, to inform the public and to organise premises, but I should have thought that could be achieved in a time nearer to one year. If the Government really feel that the whole scheme cannot be up and running until 2001, would they consider introducing pilot schemes as soon as possible—as the hon. Member for North Thanet suggested—in two or three ports of entry? Perhaps Dover should not be one, but Liverpool might do. It is rather a long way away, but it needs the jobs. My right hon. Friend the Minister seemed quite sympathetic to that idea.

Perhaps there should also be a pilot scheme at Heathrow—which is already fairly well equipped for the purpose—so that we can see how the system works, and meet the training requirements in the report. There is no point in beginning to train people if there is nowhere for them to be trained and, if we have pilot schemes, it may be possible to provide the necessary facilities.

I should be grateful if my hon. Friend the Minister could interpret the recommendations on European harmonisation in paragraphs 10.5.5 and 10.5.7. I understand our legal obligations under the treaty of Rome and so on, but I fear that—unless I have misread those recommendations—we might create a bit of a pickle. In its summary, the advisory group recommends

"that the Minister introduce the new system specifically and explicitly as a transitional system".

That is fine. It also recommends

"that the Minister simultaneously seek to promote a harmonised EU system of controls against rabies which will reflect the concerns and meet the needs identified in our recommendations."

That is a two-track business. Thirdly, the advisory group recommends

"that, until rabies has been effectively eradicated from the EU and appropriate EU-wide measures put in place in respect of animals to be imported from third countries where rabies is endemic (including the candidate countries of eastern Europe), the Minister should, if necessary, seek a derogation from a harmonised EU system to allow checks to take place at British points of entry."

Unless I have misread the proposals, we could end up with a mish-mash of systems—for which the Government would be responsible—that in some ways contradicted each other. That could create more of a worry among kennel owners who still have some part of their business to run over the next few years.

Nevertheless, the report offers great promise. It confirms the strongly held belief of many that the existing system of quarantine is no longer the best way of dealing with the inward movement of animals from what are virtually risk-free countries. Its proposals would establish a much stronger and fairer system, while maintaining powerful safeguards—in fact, the same safeguards—against the entry of animals from risky countries. That is

[Mr. Pickthall]

only a personal opinion, but I think that we should class the United States and Canada as risky countries until they can be conclusively proved not to be.

Incidentally, the implementation of the proposals would be an enormous relief for thousands of individuals, especially in the armed forces, whose jobs necessitate their living abroad with their families and moving back and forth. It would also help the tourist trade at the margins—although I must say that I contemplate the prospect of thousands of foreign tourists arriving with their dogs with no pleasure at all.

Those last two factors, however, are bonuses. The main point of the Kennedy recommendations is safety and common sense. Parliament, and the Government, have a duty to sell them to those in the United Kingdom, such as Mary Rees, who have a deep and abiding fear that quarantine has so far helped to allay. It is our duty to explain in detail that the new measures will constitute a better, not a weaker, system of control.

5.46 pm

Mr. Charles Kennedy (Ross, Skye and Inverness, West): The hon. Member for West Lancashire (Mr. Pickthall) performed a service by reminding us so lucidly of the background to the Agriculture Committee's deliberations in 1994, and the reasons—which he gave fairly and coherently—why it reached its decisions and its vantage point.

The Minister described himself as sympathetic to the Kennedy report—I hasten to add that Professor Kennedy is no relation—and his stance has been broadly echoed in the House. This is one occasion—another may be next week's agriculture debate, which will arise from a Conservative motion—when the Conservative spokesman and I can make common cause. Given another issue that is being dealt with outside the House today, perhaps we are all into constructive opposition—on this issue, if not on others.

I agree with the fairly consensual points that have been made about changes to the quarantine system. However, although concern has been expressed about the timing, we should bear in mind the fact that the present system has been in place since 1901, and has been stupendously successful. Parliament is right to tread with caution, given the horrendous down side—rabies—which is the alternative to the status quo. But, as the hon. Member for West Lancashire said so persuasively, given the costs of quarantine—which are undoubtedly driving some people into illegal activity—it is surely the lesser of two evils to opt for a system that is likely to deliver than to stick with a system that, at least potentially, is delivering less well. That is the balance of probability that should commend itself to the House.

Dr. Tonge: I remind my hon. Friend that many pet owners act responsibly and vaccinate their pets—which would thus qualify for a pet passport or microchip—but still have to pay quarantine costs to kennels. I am particularly reminded of my constituents, the two dogs Whisky and Soda, who have already suffered six months' quarantine for this country after their master dealt with Hong Kong. They could easily have to go through the process again if their master, useful man that he is, is sent to Europe in another role. I make a plea to the Minister to remember Whisky and Soda.

Mr. Kennedy: Anyone who knows my personal habits knows that I am always willing to defer to whisky and soda, although not necessarily of the canine variety. My hon. Friend makes a telling point, which has been well trailed through the national and international press by her constituent, Mr. Chris Patten, although what she says may be a strong argument not to offer him a job at the EU Commission. However, I shall not stray too far down that road.

Joking aside, it was useful that someone with a high public profile was able to draw attention to the sense of frustration that so many people have felt as a result of the current arrangements. Indeed, that is partly what lay behind the Kennedy committee proposals.

It is obviously extremely important that documentation and vaccination requirements are met. Proper border controls are also important in preventing unprotected animals from entering the country, and that relates to monitoring generally.

Hon. Members have mentioned kennel owners, and gun control may be a more valid comparison than fisheries decommissioning policy in this case. When, under the new Government, the House passed primary legislation on guns, we dealt with the issue of compensation for those who would lose out in terms of business. I accept that the comparison is not ideal, but there is a legitimate argument that the Government should consider those people with businesses that carry out, albeit privately, a Government agency function and who, as a result of primary legislation, may be financially disadvantaged.

I take this opportunity to make a plea for those people who have to use guide dogs—there is a strong case for exempting them from the current rules on travel outwith this country. I expect that all hon. Members have heard from constituents who have found themselves in farcical situations when travelling abroad on holiday. They have discovered—in some cases, not even at the point of exit from this country but when they have been in transit—that they were not to be allowed to have their guide dogs with them on arrival. That is a bizarre state of affairs for people who are self-evidently dependent on a guide dog for access and mobility and for their capacity to enjoy visits to the continent or elsewhere abroad. I hope that the Government will be particularly sympathetic, even under the current arrangements, to the rights of disabled people, especially those who use guide dogs.

As has been clear from this debate, the House is generally supportive of the Government's stance on the Kennedy recommendations, and I hope that we can make further legislative progress on the matter sooner rather than later.

5.54 pm

Ms Jenny Jones (Wolverhampton, South-West): I am pleased that the hon. Member for Ross, Skye and Inverness, West (Mr. Kennedy) mentioned the fact that people with guide dogs have faced great problems in travelling abroad because of the quarantine laws. That point has been raised in the considerable postbag—more than 100 letters—that I have received on this subject from my constituents. All those who have written have been in

favour of the Kennedy recommendations, and some have gone further, wanting quarantine to be ended immediately, although I do not go along with that view.

There has been consensus in this important debate and I, too, welcome the Kennedy report and its recommendations. A review of quarantine is now long overdue, not least, as the hon. Member for North Thanet (Mr. Gale) argued, on animal welfare grounds. We can debate quarantine reform because veterinary science has developed to such an extent that there is a viable alternative to quarantine—vaccination, blood testing and microchipping.

We also have a far greater knowledge of animal behaviour and the effects of the long-term separation of animals from their owners. Indeed, it has been known for some time that dogs can develop behavioural problems as a result of being separated from their homes and owners. Now, however, we own far more cats than dogs; we seem to be turning into a nation of cat owners, of whom I am one. I have owned cats for 35 years—

Dr. Palmer: Hear, hear.

Ms Jones: My hon. Friend says, "Hear, hear."

I regard myself as a responsible owner, and the House may be interested to hear that I made electoral history last year as the first Member of Parliament to choose to be photographed not with the nearest and dearest of my family—my husband and son—but with one of my kittens. What greater commitment could anyone have to a pet?

There has been a great deal of research into the behaviour of cats, and it has been discovered that cats suffer far more than dogs in quarantine. Two of the saddest letters that I have received were from constituents explaining how their pets had died in quarantine, not from rabies or parasitic diseases from abroad, but, after about four months in a kennel and a cattery respectively, from diseases caught from the other animals.

There is nothing sadder than having to part from one's pet when it has to be put in quarantine. Pet owners do not want their pets to return to this country with rabies, but they do not want them to die from another disease that has been picked up in this country. Now that there is a real alternative to quarantine, the animal welfare argument should be given due weight in our consideration of the Kennedy report.

Until we manage to eradicate rabies worldwide, there will always be a risk that it could get into this country. I have long thought that our analysis of where the risk lies has been wrong. We have assumed that people will get rabies from pets brought in from abroad, but more and more Britons travel abroad to countries that have rabies—the House of Commons Library came up with the figure that a quarter of summer holidaymakers from Britain regularly travel to Turkey, the United States of America, Kenya and other countries that are known as rabies black spots—so rabies is more likely to be brought back here by someone who, perhaps through lack of caution, has been bitten by a rabid animal abroad.

Every time I go abroad on a ferry, I am struck by the emotive posters warning of the dangers of rabies from bringing pets into the country, but I wonder how much information is given to those travelling to countries where there is known to be a risk. We should consider an education campaign aimed at travellers, because we must reassess the source of the risk of rabies ever getting back into this country, which of course we all hope will not happen.

Moving from quarantine to vaccinating, blood testing and microchipping will certain mean upheaval, but, since 1994, the Ministry of Agriculture, Fisheries and Food has accepted that animals imported for sale can come in on the vaccination rather than the quarantine route, so we clearly already have the beginnings of that way of controlling rabies.

Three years will be too long a delay. I agree with those who have suggested a pilot scheme based on vaccination in one of our ports where animals come in, in line with the European Union directive. That should be started within a year.

6.2 pm

Mr. Eric Forth (Bromley and Chislehurst): In all fairness, I should declare an interest at the outset. My dear, beloved mother-in-law, who lives in the United States, is deterred from visiting this country frequently by our existing excellent quarantine provisions. I must stress that that is not the reason why I intend to argue in favour of keeping the existing regime.

Nor, indeed, is my main reason for expressing severe reservations about the proposals the fact that we have an alarming degree of consensus in the House. I have an instinctive suspicion of consensus, especially when it is cosy. Many of us recall that, when there is almost complete agreement on something in the House, we often end up with a disaster. I need not give a catalogue, as hon. Members of all parties will be familiar with what I have in mind.

There is no harm in some dissent being expressed on an occasion such as this, if only for the sake of pointing out some aspects that have not yet been covered. I am sure that the Parliamentary Secretary will not take it amiss when I express my regret at the absence of the Minister of State. When I raised the matter of conditions other than rabies in a debate on the Animal Health (Amendment) Bill—an excellent little provision with the total support of the House, including me, because it was relevant to standards of quarantine provision—the Minister of State said:

"it is a myth that quarantine is all about rabies. The pressure mounted by lobby groups to abolish the quarantine laws ignores all the other issues raised in the *New Scientist* article to which the right hon. Gentleman"—

that was a reference to me—

"referred. We should therefore not rush to judgment on that issue. It is not a question of not wanting to be the Government who let rabies into the country. This matter goes well beyond rabies, to issues such as climatic change and bugs discovered in quarantine cells."—[*Official Report*, 27 March 1998; Vol. 309, c. 851.]

That gave me the impression that the Minister of State had a balanced view. I would not dream of implying that the Minister of State's absence has any significance.

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mr. Elliot Morley): I am glad to explain that my hon. Friend the Minister of State has an important engagement this evening and tomorrow for the official opening of the cattle traceability scheme, for which he has responsibility. All of us as

[Mr. Morley]

Ministers have spent a great deal of time talking to, and paying attention to, different people and organisations throughout the country, and I am sure that the right hon. Gentleman will appreciate that my hon. Friend has important duties to perform. His absence is not due to any particular view on the issue. As the right hon. Gentleman said, his view is perfectly balanced and in line with the Government's position on the Kennedy report.

Mr. Forth: I am delighted to hear that the Minister of State is balanced. That is a great reassurance to us all.

My primary reservation can be characterised, rather inelegantly, under the heading, "If it ain't broke, don't fix it". We have had some interesting exchanges along those lines, and of course I am not saying that the existing quarantine arrangements are perfect or foolproof. Frequent reference has been made to the likelihood that animals have been smuggled into the country to get around the regulations, and I do not doubt that that happens, but the existing regime is simple, straightforward and easily understood, and those important virtues should not be overlooked.

There is a parallel with the argument, which was started today, about the virtues of first past the post—an electoral system that is elegant, simple and easily understood—as against the nonsense of the proposals of the partial Jenkins commission, which are bizarre and incomprehensible. That may remind us of the proposals in the Kennedy report. The existing regime has the strength of simplicity.

My next point is particular to me, and I expect few people to accept it. To my mind, the proposals to do away with our present arrangements are yet another diminution of the concept of the territoriality of the British Isles and the United Kingdom, and yet another example of the way in which proposals are made to reduce the significance of our borders and our nation as it has been historically understood.

Dr. Palmer: Does the logic of the right hon. Gentleman's position not suggest that we should introduce quarantine for foreign humans?

Mr. Forth: I am always open to any such helpful suggestion. Perhaps the hon. Gentleman and I could get together and work on that one. I can think of many foreign humans who are extremely undesirable and whom I would not want here unless they had a microchip inserted, were vaccinated and were otherwise identified.

My point is unashamedly political. Each time we move in the direction of the Kennedy report, we reduce the possibility of continuing to identify ourselves as a separate nation with border controls that have always been, to my mind, an important part of nationhood and national identity. I regret that, and believe that it is an important consideration that should not be cast lightly aside.

My main objection arises from my doubts about the safety and integrity of the process that is suggested. I had some research done into the incidence of rabies in Europe, the European Union, the European Economic Area—the European continent as a whole—which came up with some fascinatingly different figures. For example, figures relating to the first quarter of 1998 suggest that, in Europe as a whole continent—charmingly put—1,711 cases were reported in domestic animals. Another set of figures suggests that, in Europe as a whole, there were 2,257 cases. I think that that was for a whole year for domestic animals. Referring to the most recent quarter, a publication rather charmlessly called "RABNET" states:

"During '*This Quarter*', 1711 rabies cases were reported in Europe".

It then gives details for different countries.

The relevant point was made earlier that, whatever the position in the European Union as constituted—rabies is still endemic in certain parts of the EU—there is a considerable degree of endemic rabies in the countries that it is proposed to bring into an enlarged EU. That suggests that a risk element is involved, perhaps not so much in the existing EU as in an EU enlarged as proposed. I hope that the Government will weigh that up carefully when they consider the effectiveness, efficacy and safety of the proposed regime against the background of the incidence of rabies and the degree of increased land travel that is bound to take place across greater Europe, if I may thus characterise it.

Mr. Loughton: Would my right hon. Friend concede that, according to the figures for last year, there were apparently only 12 cases in the whole of greater Europe, as he calls it, of humans contracting rabies, of which none ended in death? Of those 12 cases, 10 came from the Russian Federation, one from Lithuania and one from within the EU—France.

Mr. Forth: That is reassuring, but I am not sure whether it is reassuring enough for us to introduce an element of greater risk, if indeed that were involved in a change of regime. I do not know whether the elderly lady constituent of the hon. Member for West Lancashire (Mr. Pickthall) would be reassured by that. To reassure her and many like her is an important part of this whole debate.

The British Veterinary Association has been mentioned. I have here a news release issued by it in which the BVA vice-president, Mr. Ted Chandler, said:

"The present quarantine policy has served this country well over many years and while it is indeed true that the science is now available to justify a new approach in theory, the capacity and commitment to enforce a new system in practice is quite another matter. Neither the Government nor the profession should be under any illusion that new laws and a new system of rabies control can simply be created, brought in and made to work. If as a result of change rabies were to be introduced to this country, there would be the most serious consequences for all involved.

If and when the Government takes a decision to change, consult and subsequently legislate, there must be no short cuts on enforcement. There can be no compromise on professional vigilance and there must be no collapse of public confidence. The task for Government is daunting. The aim of the veterinary profession must be to support only those changed procedures which meet their scientific criteria and are capable of being enforced."

I quoted that news release at some little length because the views of the veterinary profession are important. If the Government are to make the changes that are proposed in the report, it is important to make absolutely sure that the vets are fully on board, not only because their views matter, perhaps more than any other single group of people, but because they and their professional colleagues in this country and, more important, abroad will be crucially involved in making the proposals work.

My greatest reservation arises for the following reason. Throughout the debate, it has been claimed that the present quarantine arrangements, because they are expensive and unpleasant, deter people from using them and encourage smuggling. The animal welfare point has been made by many who have contributed. I looked at the proposals in the report with growing disbelief and asked myself these questions. Is it likely that people who wish to take their pets abroad and bring them back will go through the process described in the report? Will microchips be implanted in those pets? Will people have their pets vaccinated? Will the pets have the required blood test before re-entry at a laboratory approved by the United Kingdom? Will such laboratories be handy and close enough for people easily to fulfil that requirement? Will they get the treatment 24 hours before re-entry for the conditions other than rabies that are mentioned—I am glad that they are mentioned—in the report? What about the person who has to change plans at the last minute and is faced with the choice either of finding somewhere for the treatment or of taking the risk of smuggling the pet back into the United Kingdom?

The requirements for certification involve finding a competent authority, filling out a single sheet of paper, having a unique identification number and a qualified veterinarian. The report rather quaintly states, although I understand why, that black ink must not be used. That is presumably so that the paper cannot be easily photocopied or forged. The more I thought about that exhaustive and exhausting list of requirements, the more I wondered whether it would be likely that even the most devoted, dedicated pet owner who did not wish to fall foul of the new regime could fulfil all those requirements in all reasonable circumstances. I think not.

My worry is that, if we make the proposed change, having persuaded ourselves of the disadvantages of the present regime, the new regime would be more bureaucratic, more complicated and more difficult in many ways for pet owners to adhere to. Therefore, in the end, it may not have anything like the desired effect. We may end up with a worse system than the one that we have. As is traditionally said in these cases, I hope that I am proved wrong.

I am worried that so many people are rushing to embrace this proposal so whole-heartedly without expressing sufficient concern about its complexities, its bureaucratic nature and the likelihood that it will deter people from ensuring, as we all wish, that animals are free of rabies and other unpleasant conditions and that those conditions are not brought into this country. For that reason and the others that I have given, I remain to be convinced.

6.18 pm

Mr. Andrew Reed (Loughborough): It is always a pleasure to follow the right hon. Member for Bromley and Chislehurst (Mr. Forth), who made some pertinent points in his valuable contribution. He is right to say that there is always a danger of rushing into changes. The context of my speech, however, will be in total opposition to what he has said. Nevertheless, it is vital that we hear such opinions because many of our constituents feel the same. As my right hon. Friend the Minister said earlier, 10 per cent. of the respondents to the consultation at this stage have expressed some opposition.

When I received my first correspondence saying that a constituent wanted to see me at my surgery about passports for pets, I was reminded of a story told by a Conservative Member. He said that at his first surgery, somebody wanted to extend the franchise to the canine variety. His constituent thought that he had rather an intelligent dog and that the franchise should be extended to it.

Dr. Palmer: Was its name Whisky?

Mr. Reed: I think that they were called Whisky and Soda.

I was more fortunate as my constituent explained the reasons for the passport for pets scheme. I was more than happy to listen and to take the arguments on board. During the past 12 months or so, I have become quite deeply involved in the issue. We need to reassure our citizens that whatever replaces the current scheme is satisfactory and, more importantly, maintains the United Kingdom as a rabies-free zone.

The case for ending quarantine has been made forcefully this evening and it is not necessary for me to repeat all the arguments. However, I support the need for change in the cost to the individual as £1,000 to £1,500 is rather expensive. For many people it is a substantial sum to find in one go. Many people love their animals and pets play a vital role in their lives, as my constituency case demonstrates.

The welfare issue is important and has been touched on in the debate. The figures suggest that, even if we included the United States in the scheme, some 29 per cent. of animals entering the country would still need to be kept in quarantine, so we cannot let up on ensuring that welfare standards are maintained. We should not ignore the issue simply because we are moving to a different system.

The world has moved on. I am not a scientist, but the evidence in the Kennedy report suggests that the risk is small—there were 12 cases in the wider European area. If only 12 humans out of a population of some 500 million contracted rabies, the risk is extremely small. If the proposed scheme involves only a small additional risk, it is probably one worth taking.

Smuggling continues to be widespread. We have heard anecdotal evidence of that this evening and I am sure that we all have constituency cases. Since I have discussed the issue on local radio and with the local media, I have been inundated with examples.

My only personal experience of the issue was in Germany a few years ago when there was a rabies scare in the area where I was staying, so I am aware of the fear that rabies causes in the local population.

I wish to mention a constituency case that urges me to make two specific points that I hope my hon. Friend the Minister will consider in the final implementation of the scheme. They concern the time scale with the delay of up to three years and the exclusion at this stage of the United States.

My constituent, Mrs. Lily Rigley, has an 82-year-old sister who moved to the United States some 30 years ago. All her family there have now passed away, so she is on her own and now wishes to return to the United Kingdom to live with her sister in Loughborough. She lives in

[Mr. Reed]

Florida, so she will definitely be travelling in the right direction. Loughborough is an extremely attractive place. However, her sister Margaret is blind and has a guide dog.

Mr. Paice: She will not know if it is any better, then.

Mr. Reed: Even if she were fully sighted, she would appreciate the delights of Loughborough. If Margaret were to return to the United Kingdom now, her guide dog would be placed in quarantine for six months, creating enormous upheaval in terms of her mobility and her life style. It is quite worrying for her in that, because of her age, her friends in the United States have diminished in number. She finds it extremely difficult to cope and she would desperately like to return to the United Kingdom.

Lily Rigley in my constituency and her sister Margaret in the United States have been excellent campaigners. They have contacted an enormous number of American senators and I appear to be on all their mailing lists. I have been inundated with e-mails. Information technology makes some things rather difficult as e-mails are all too easy to pass around.

The Kennedy report recommends that a further study is necessary. It has already carried out a risk assessment which concludes that there would be a slight additional risk if the scheme were extended to the European Union. However, it is such a very slight risk that I urge my hon. Friend to consider implementing the scheme as quickly as possible.

When she heard about the report on the news, Margaret Nash booked her airline ticket and arranged to return to the United Kingdom just before Christmas. One of the hardest things that I have had to do as a constituency Member was to phone Lily Rigley and ask her to tell her sister to cancel her ticket as we do not change the law that quickly in the United Kingdom. I am proud that, in the past 18 months, the Government have introduced many measures very speedily and I hope that they address this issue with the same urgency.

If we were to start some of the background work now and set up a pilot study, perhaps fast-tracking individuals such as those with guide dogs would be an ideal solution. Margaret Nash had already booked her ticket. I am sure that others feel equally anxious to come to the United Kingdom, and having heard about the issue on the world news, they will feel that the time has come to do so. Unfortunately, some may be prepared to take the risk of smuggling, perhaps assuming that, if the Government are considering changing the system, they may not prosecute them. I hope the signal goes out that that is not the case. I am sure that my hon. Friend the Minister will repeat that, in the meantime, the quarantine regulations will continue to be enforced strictly. That is another difficulty that will arise if we delay the scheme for three years, as is mentioned in the Kennedy report.

The recruitment and training of the 43 staff could start fairly quickly. I cannot understand how it could take up to three years. If someone were employed to implement the strategy and set up the programme, I do not understand the time scale of three years.

I wanted to keep my remarks brief, highlighting my concerns on behalf of my constituent which have led to my involvement in the on-going debate. I particularly emphasise the points that I made about the timing of the scheme. It has been discussed since the Select Committee report in 1994. There has been plenty of debate in the House and the country, and I know from my postbag that many of my constituents are concerned about the issue. I am more than happy to suggest that we implement the recommendations in the Kennedy report as quickly as possible and give serious consideration to including the United States in the scheme.

6.28 pm

Mr. Tim Loughton (East Worthing and Shoreham): I am afraid that I am about to disappoint my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) by adding to the rather cosy agreement that, with his exception, has existed on both sides of the House.

I am grateful for the opportunity to speak in the debate on four counts. First, I speak as vice-chairman of the Conservative animal welfare group. Secondly, I represent the closest channel port to London; I am not touting for the business of a pilot scheme as we do not have a passenger ferry, although Shoreham airport could be used. Thirdly, I am a supporter of the Royal Society for the Prevention of Cruelty to Animals and its campaign on quarantine and many other dog-related subjects, and I am a co-supporter of the Registration of Dogs Bill, which, alas, did not make it on to the statute book. Finally, and perhaps, uniquely, I speak also as a Member who has a constituent who was bitten last year by a rabid bat, which had apparently fare-dodged a cross-channel ferry to Newhaven. I may, therefore, be able to speak with a little more authority than many of my colleagues.

We have already heard that Chris Patten said that the existing law is a painful and expensive farce. I can infer from what some hon. Members have said that quarantine and rabies are still something of a taboo subject, one of the last taboos in this country. One conjures up images of people manning the barricades, jealously guarding our boundaries against a dreadful, filthy, foreign disease. That is a rather outmoded concept. Yet, when the channel tunnel was being discussed, some people whipped up hysteria by saying that rats and other creatures would flood across from the continent, and that we would have rabies within a matter of days. Of course, that has not happened.

The truth is that the quarantine system has the potential to do more harm than good. Most hon. Members have mentioned the greater risk from smuggling, which may be much more dangerous, and which is certainly not on the wane. We have heard less about the enormous discomfort and stress that is caused to cats and dogs that have to go into quarantine, as well as that caused to their owners.

I welcome the Kennedy report; such a report is long overdue. Many things have happened since the report of the Select Committee on Agriculture of November 1994. The campaign for passports for pets has matured greatly, and the experiments in Scandinavian countries have proved largely successful. I do not see why we cannot base a scheme on those experiments. The technology of microchipping has advanced enormously, too, into a simple and straightforward process. On the continent itself, enormous progress has been made towards combating for rabies, which was a big problem in the past, but which is certainly diminishing.

The report is detailed, balanced and welcome to all animal lovers, and we should note that there are around 6.9 million dog owners in the United Kingdom. The report

also has implications for other measures to encourage more responsible ownership of pets, such as the dog registration scheme that many of us supported. Alas, a Bill to introduce the scheme failed, just as the earlier ten-minute Bills to amend the quarantine law, introduced by my hon. Friend the Member for Southend, West (Mr. Amess) and the hon. Member for Newport, West (Mr. Flynn), failed.

Mr. Morley: The Bill introduced by my hon. Friend the Member for Newport, West (Mr. Flynn) completed all its stages and is now law.

Mr. Loughton: We may be talking about different ten-minute rule Bills.

Mr. Morley: The Animal Health (Amendment) Act 1998.

Mr. Loughton: I defer to the Minister's greater wisdom. The measure introduced by my hon. Friend the Member for Southend, West would have tackled quarantine specifically, and that did not progress.

Some 5,000 dogs and 3,000 cats are in quarantine each year. Those figures have been relatively static over the past 25 years, although the figure for dogs has dropped over the past year, which suggests that people anticipate a change in the law. If they do not get one sooner rather than later, there will be a good deal of angst. As the hon. Member for Loughborough (Mr. Reed) mentioned, there is the possibility that people may flout the law if to do so will soon not be an arrestable offence.

The trauma and stress inflicted on pets themselves should not be underestimated. Six months in quarantine is three and a half dog years, which is a large chunk of an animal's life. The cost can be around £1,200 for a cat and about £2,300 for a large dog. There are other animals: the cost for a chinchilla is £692; for a guinea pig or ferret £434; and for hamsters and rats—for those who value their pets so highly—£247. Out of 200,000 cats and dogs imported over the past 25 years, there have been four possible cases of rabies, although all of them were questionable. During the same period, 2,800 animals in quarantine have died, 1,200 of them during the past 10 years.

There is a question mark over the standard of quarantine kennels. Although there are many good ones, some anomalies were highlighted recently in a Channel 4 programme. Owners have no right to an independent inspection of their animals' living conditions. In 1995, the Ministry of Agriculture, Fisheries and Food received 35 complaints of animal cruelty in quarantine and kennels.

Across the world, 35,000 people die of rabies. It is a virulent, important and dangerous disease. The majority of deaths happen on the Indian sub-continent. I have spoken already, but will remind my right hon. Friend the Member for Bromley and Chislehurst, of the risk we face—that only 12 people have had the disease in Europe, none of whom have died, over the past year. There were around 5,000 cases of animal rabies in greater Europe last year, but that was the lowest figure ever. It was just 20 per cent. of the comparable figure from 1989. The problem has certainly lessened.

The truth is that quarantine is not preventing anything. It causes harm to animals, and distress and cost to their owners. The risk of rabies in the UK is small and diminishing. The Kennedy report offers something far more effective in the form of vaccination. We should remember, too, that quarantine is unfair not only to members of the armed forces who often travel over borders to reside in Germany or other places, but to those in the diplomatic service whose life styles take them abroad. It also prevents many Britons from holidaying on the continent if they wish to take their pets with them. In the spirit of wishing to encourage greater European understanding—though not necessarily harmonisation of systems—I believe that that would be helpful.

Smuggling is alarming. Between 1988 and 1995, there were 769 recorded instances of animals being illegally imported to the UK. That is the tip of the iceberg as those are the ones that were caught. The RSPCA estimates that, each year, at least 1,000 animals are smuggled into the UK illegally, of which only about 10 per cent. are detected. There are also anti-quarantine activists who uses quasi-guerrilla tactics. One Chichester-based organisation regularly sends out detailed newsletters on how to transport animals through the channel tunnel without being caught. That is big business in some parts of the country.

There are big anomalies in our present system. Ours is the only country in the world to operate a compulsory six-month detention period, with the exception of the Hawaiian islands. Australia and New Zealand have recently modified their regulations for animals coming from rabies-free countries. Japan has no quarantine regulations, and it is rabies free. The experience of the Norwegian and Swedish systems shows that they can work. Those systems involve vaccination, antibody testing and passports. There is also, importantly, no cost to the taxpayer in those countries. Monitoring the current system alone costs the Exchequer about £1.25 million in respect of inspecting quarantine premises, testing animals and publicity about rabies.

I agree with the Kennedy proposals, which are common sense, because vaccination is a cure while quarantine is not. Vaccination ensures that animals do not contract rabies. The terms for revaccination and proper accreditation of laboratories are sensible.

I strongly favour giving animals proper passport identification documents, which is now easy with microchips. Some hon. Members mentioned the inconvenience of microchips, but they are the size of a grain of rice. It is a simple, virtually painless injection, over in a matter of seconds, and it costs only a few pounds. It is not costly or complicated; any vet worth his salt could administer it. The cost of the registration scheme, and its paperwork and everything that goes with, it has been estimated by the RSPCA at £300 to £400, which is a substantial discount on the average quarantine fees faced by owners. The scheme does them a financial favour.

One matter in the identification procedure to which I might take exception is the suggestion that uniquely numbered microchips cannot be chosen by the dogs' owners. That is a shame. Like personalised number plates, they could raise a good deal of revenue for good causes.

[Mr. Loughton]

The possibility of Fifi 1, Posh Dog 2 or—most exclusive of the lot—K9, makes me think that we are missing a trick and an extra form of revenue for dog welfare.

Sir Nicholas Lyell (North-East Bedfordshire): I have come late to the debate, but I am listening with great interest to my hon. Friend. I sympathise with these ideas generally. Is there any danger that a microchip inserted in a pet that has gone through all the registration procedures could be removed and inserted in another that has not?

Mr. Loughton: That is a pertinent question that I raised recently with the RSPCA. It is integral to the project that the microchip inserted in the dog matches the paperwork. There is a double check. If the microchip scan shows a poodle, but an Irish wolfhound has been presented, something is amiss. There are many inbuilt safety measures.

Sir Nicholas Lyell: What if it is another poodle?

Mr. Loughton: As the process involves blood testing, there is scope to take DNA samples. The RSPCA has considered all manner of solutions. Through the PetLog scheme, 355,000 dogs have been microchipped. If people are worried because all these hounds will have to be microchipped, let me say that many already have been. Regardless of the quarantine laws, I would like all dogs to be microchipped because that would bring about greater responsibility in the ownership of dogs. PetLog, a scheme run by the RSPCA and the Kennel Club, means that we have an increasingly sophisticated database for dogs. It gets 600 new applications every day.

We are out of step with our European partners. France has had a permanent compulsory identification system since the beginning of the year. In the Netherlands, all commercially traded dogs must be permanently identified, mostly with microchips. Germany has a compulsory dog identification scheme, as do Denmark, Belgium, Poland, Switzerland and many others. We are behind the times.

The system has applications elsewhere, especially with dog registration. The Kennedy report having conceded that the principle that dog registration is achievable and desirable, I urge the Minister to reconsider the possibility of a registration scheme for all dogs in Britain, regardless of whether they go on holidays across the channel. The problem is that more than 50 per cent. of our 6.9 million dogs stray each year. Traffic accidents, biting people, attacks on livestock and the time of police and council officers in seeking to reunite dogs with their owners cost more than £40 million. There are also the cases of cruelty to dogs. In 1997, the RSPCA brought 1,092 dog cruelty cases to court. Some 100,000 stray dogs have to be destroyed. It is a big problem. Microchipping those dogs would make the job of reuniting them with their owners much easier and would place the onus of responsibility on owners, so that, if they do not take care of their pets, dogs will be identified and the full force of law brought to bear.

I have some concerns about things that are not in the report and about some things that are, but should be modified. The major one is the three-year delay. It should be 18 months at the most. The delay can only encourage more smuggling in the short term. Some ports of entry are virtually already equipped to handle such a system. The simple technology that I have described is easy to provide. I cannot believe that it is beyond the wit of man to find 43 enforcement officers and train them in a simple procedure that is not much more complicated than that used by the average checkout assistant at Sainsbury or Tesco in running a bar code scanner across the microchip. If the procedure is beyond the wit of civil servants, will the Minister consider putting it out to tender for an agency or private contractor to set up the scheme more quickly, or could we use the expertise available in the Royal Army Veterinary Corps? I defer to my hon. Friend the Member for Salisbury (Mr. Key) on that. There are many ways to speed things up.

My second concern is the countries covered. The World Health Organisation has categorised 46 countries as rabies free. Many are outside the European Union, have land borders and would be excluded, including Switzerland, which has a high standard of dog care and registration. North America, with the exception of Hawaii, is another area that frequently comes up, and it has some of the highest veterinary standards in the world. Of the dogs and cats brought into quarantine last year, slightly more than 26 per cent. came from north America, easily the second highest figure after the 38 per cent. from the EU.

Hon. Members will have had many e-mails from the persistent Mrs. Gloria Glammeyer from the United States. Her latest e-mail complained about

"blatant discrimination against the United States . . . I thought that Britain and America shared a close camaraderie as sister countries."

Presumably, she has a dog that she particularly wants to bring to Britain, such is the ferocity of her e-mails, although I have never met her and she has no connection with my constituency so far as I know.

The third point, which was partially tackled by the Minister, is non-qualifying countries. We must ensure that a proper system is in place so that unscrupulous owners from a country such as South Africa do not bring their pets to a less rigorous EU country, reclassify them as EU dogs or cats and import them into the UK. A few years ago, a South African dog imported to Spain, which was claimed to be rabies free, sparked off a new spread of rabies. If we introduce all those measures and people flout the law and smuggle pets despite the ease of the system, the fines or terms of imprisonment should be increased. We must increase the penalties to act as a deterrent. There would be no excuse for people who still flouted the law.

The fourth consideration involves the administering of drugs for ticks and worms to animals within 24 hours of importation. That is a new idea. It is not currently required under the Balai arrangements governing the commercial trading of cats and dogs, and I believe that it should be detached from the quarantine issue. I think that it is a separate matter, and I hope that considerations in that area will not delay the speedy implementation of the changes.

The fifth issue involves the ferries. I hope that the Government will issue some guidance to ferry companies—particularly those operating ferries on longer crossings, which will need specific accommodation and exercise areas for pets in transit.

The hon. Member for Dover (Mr. Prosser) referred to the legitimate case of kennel owners. I believe that they should receive some form of compensation, probably centred within the European Union. Some 46 per cent. of quarantined dogs and cats come from within the EU and,

if the present proposals are agreed, kennel owners will lose virtually half of their business. If North America were also included in the new arrangements, only 29 per cent. of quarantine business would remain with the 80 or so kennels operating in this country. That must mean bankruptcy for the vast majority of them, particularly the smaller kennels.

This is an area where it is appropriate to use that horrible word "modernise". We need to modernise and update our quarantine system. It is self-defeating for our system to be so different from those operating in the rest of the world. We have the technology to operate the alternative system and we have the good will of pet owners in this country. We now need to move much more quickly. The report proposes not a relaxation of our vigilance against rabies but a more viable replacement programme. As such, I hope that the Government will use every endeavour to speed up the implementation of the Kennedy report and the vast majority of its recommendations.

6.51 pm

Mr. Brian White (Milton Keynes, North-East): As is usual at this time in a debate, many of the points that I wished to make have been made already—particularly with regard to animal welfare, smuggling and guide dogs. As I listened to the speech by the hon. Member for East Worthing and Shoreham (Mr. Loughton), I was forced to cross out large chunks of my speech because I agreed with him almost totally. I disagreed with him in one area, but I shall turn to that in a moment.

Five years ago, we would have had a totally different debate on this subject. Several of the comments made in this debate, particularly those by the right hon. Member for Bromley and Chislehurst (Mr. Forth), would have been more relevant at that time. Five years ago, I suspect that we would not have proceeded down the route that Kennedy has suggested. However, technology has changed all that.

I recently visited my mother-in-law in Sweden. As I knew that the United Kingdom quarantine system was under review, I asked the Swedes about their quarantine experience. Sweden shares land boundaries and we do not—except in the case of Northern Ireland, and the quarantine system in the Republic of Ireland is in line with our own—but I was interested to know how it had coped with the changes that had been introduced. Five or 10 years ago, there was a great debate in Sweden about whether the system should change. The almost universal view now is that the system is working well and that we should follow the Swedish example. I hope that the Minister will accept that the Swedish system works, and that he will proceed down the same route.

I agree with the hon. Member for East Worthing and Shoreham on the question of which countries should be involved in the scheme. I am confused as to why the restriction on islands that are rabies free remains. I believe that the Minister should include in any list of countries to which the scheme applies a number of countries—not just in north America—that have been declared rabies free. It is also important that that list be reviewed regularly to include or exclude certain countries. As the figures cited earlier in the debate show, circumstances change—it is not so long since rabies was advancing through France towards the channel. We must build a regular review mechanism into the system so that countries that are rabies free may be added and those that have problems may be excluded.

I disagree with the hon. Member for East Worthing and Shoreham about compensation for kennel owners. It is important that that issue should not delay the progression of the scheme. The kennel owners have a valid concern, up to a point: they will lose business and the Government must ensure that they have a viable future. However, kennel owners should not be allowed to hold the Government to ransom or to hold up the scheme by expressing fears that were valid five years ago but now no longer apply for reasons that were set out earlier in the debate.

According to the figures, more pets will travel under the new scheme. Therefore, more business may be generated for kennel owners. Like any business when circumstances change, the kennel owners should adapt to altered circumstances. It is right that the Government should help them, but I do not believe that progress should be halted because the kennel owners fear change.

The timing is also important. I welcome the earlier statements about pilot schemes, but I think that at least one scheme should include an airport. The Eurostar and our ports have been mentioned as likely settings for pilot schemes. However, as a child, I was shown around the quarantine kennels at Heathrow and I believe that animals arriving at airports could create a problem. If there are to be pilot schemes, I believe that an airport should be included so that we may head off all possible problems.

Many of my constituents have contacted me to say that they believe that three years is too long, and I echo the comments made earlier in the debate in that regard. It is important that we implement the scheme before the centenary of the introduction of the quarantine regime in 1901.

6.56 pm

Mr. Robert Key (Salisbury): I was brought up to treat dogs with respect and never to forget that, whether working dogs or perfumed poodles, they are animals, not children. I was brought up to respect the laws on rabies and to be very careful of dogs in less fortunate countries. I was brought up to accept all that without thinking. It was easy—because our family did not own a dog.

I did not like dogs. My ankles were nipped by pernicious pekinese and my neighbours had little dogs that yapped for hours and put me off. Glasses of gin and tonic—I do not like whisky and soda, or I would use that line—were sent flying by the tails of labradors and retrievers. I was indoctrinated, prejudiced and thoroughly anti-dog, and it was all very convenient. So what changed?

I begin by welcoming Professor Kennedy's advisory group's report and the Government's response to it. I welcome particularly the Opposition's response to the report because it makes it much easier for me to deliver this speech. I declare not so much an interest in the debate as a motive. I am now a reformed character. I am the proud owner of a springer spaniel called Tigger, whom I would like to take on holiday to France every year. Hundreds of my constituents would also like to take their dogs on holiday to France and elsewhere every year—after all, Salisbury is only an hour from the channel ports.

[Mr. Robert Key]

Furthermore, hundreds of service men and women in my constituency—who serve mostly in the Army—and their families are compulsorily posted to Germany and Cyprus. I am really standing here because about four years ago a young intelligence officer and his wife came to my surgery on a Friday evening to tell me about the rough time they were having. They had acquired a dog while posted to Germany. Shortly thereafter, they were posted back to the United Kingdom for what was supposed to be two years; in fact, it was only six months before they were posted back to Germany again. They could not afford the expense, but they were blowed if they were going to do without their dog.

Far more recently—only a few months ago—I went to Cyprus to visit the British forces and I met many people who had dog problems. It is ridiculous that a rabies-free island like Cyprus should not be excluded from the regulations, especially when the Royal Army Veterinary Corps is on hand at both ends to help and there are secure premises at each end. I urge Ministers to consider a trial involving our troops in Cyprus, because they provide a jolly good example of how things should be done. They care hugely about the issue and they have massive experience. They have an excellent and ingenious dog exchange scheme; dogs can stay in Cyprus and families can adopt a new dog when they are posted there, but there is nothing like being able to take one's own dog to a new posting.

Another motivation comes from a husband-and-wife team in my constituency who have sunk their savings into a well-equipped and well-staffed quarantine kennel. They would face extremely hard times if Government reforms were introduced without there being any financial recompense. The husband, Michael Wykeham, is chairman of the Quarantine Association and I am grateful to him, his wife and their staff for bringing me so carefully and convincingly up to speed on the issue.

I recall one of my visits to those excellent kennels. It was a kennel owner's nightmare: it was February, the temperature was below freezing, all the pipes and everything else were frozen and the local Member of Parliament had turned up to inspect. It could not have been more difficult for the kennel owner, but it was a happy, clean place and the level of care made a great impression on me. At this point, I should like to thank the Minister of State, Ministry of Agriculture, Fisheries and Food, who met Michael Wykeham and myself to discuss the issues some time ago. He received us courteously and constructively.

There can be no doubt that rabies is a terrible disease, but science has moved on and the current regulations have been left behind. I do not suppose for a moment that those who strongly argue in favour of there being no change refuse to go on holiday to parts of the world where there might be a rabid animal in the street. Do they refuse to allow their children to go abroad? Do they visit only a handful of certified countries that are guaranteed to be free of rabies? I bet that they do not. The biggest risk that rabies will enter this country arises from the smuggling of pets.

I was a tad concerned by the RSPCA campaign about "relaxing the rules", because I do not see the changes as relaxing the rules; I see them as tightening the effectiveness of the system and reducing the risks of smuggling. Some years ago, when I started on this treadmill, it was hard to persuade the RSPCA of our case. My approach was to stay beside the RSPCA stand at the Conservative party conference and say in a loud voice to anyone who came near, "The RSPCA is promoting cruelty to animals, because they will not agree to change." I was eventually taken to one side, as one is, but that was the start. Now, the RSPCA is wholly on side for all the right reasons.

It was a little harder to persuade the vets, because vets are cautious people. When I first started campaigning on the issue and speaking in the House about it, I got into trouble with the local vets in Salisbury. However, even they have now come around to our point of view—albeit with entirely legitimate concerns.

It has been hard to persuade the public and it will continue to be so. After all, for the past 50 years the taxpayer has been funding extremely expensive and convincing advertising campaigns. I was entirely brainwashed by those wonderful campaigns, which cost a great deal of money out of MAFF's budget. We all have to think about how to re-educate the public.

I always thought it an anachronism that traded cats and dogs were excluded from the regulations. What is good enough for traded cats and dogs should be good enough for the rest of us. If we are talking about raising the standards up to those applying to traded cats and dogs, that appears to meet the case. In fact, I suspect that we shall go further.

What about the kennel owners? There are two issues involving kennel owners, not one. The first is cruelty and bad kennels. There is absolutely no excuse for that, and none of the respectable kennel owners in this country will put up for a second with neighbours who bring their trade into disrepute. Most kennel owners are good kennel owners; they would not be kennel owners if they did not care for animals. The second, separate issue is that of quarantine. It is a great pity to blur those two issues, and the only point in the past couple of years on which I have had any slight disagreement with the campaign has been with people who have muddled them.

At this point, I should like to pay tribute to the campaign of Passports for Pets, which I have supported for some years. I pay particular tribute to Mary Fretwell, who is the prime mover behind the campaign and an indefatigable worker. She knows all about how the regulations affect our professional representatives overseas in the diplomatic service.

I shall address briefly the question of recompense to kennel owners. I deliberately do not use the word "compensation", preferring to use the term "ex gratia payment". As the former Select Committee on Agriculture made clear, there should be some recompense. It seems to me that, the more the state interferes in the private affairs of its citizens and accelerates regulation of our lives, the more the state should accept responsibility if it effectively confiscates private assets that were bought at the request of the state, licensed by the state, regulated by the state and inspected by the state.

We have seen this sort of thing before. We saw it when bovine spongiform encephalopathy led to the entire head deboning industry being closed down overnight by fax. The premises were licensed and inspected by the state, but they received not a penny from the state. The same

was true of the buildings and assets of gun makers and gun clubs, which subject has already been mentioned. That legislation marks the only occasion in my 15 years in the House on which I have voted against my own Government on a three-line Whip. Another case concerned the campaign, in which I was a prime mover, for an ex gratia payment settlement for haemophiliacs who had been infected with HIV through the national health service.

The conventional Whitehall arguments are pretty familiar: the Government have never compensated citizens for loss of trade resulting from Government policy. That is not an unreasonable proposition. If the Government introduce a new or increased tax, or impose a regulation for reasons of public health or public interest, I can understand that argument. The European convention on human rights states that the state should not deprive a person of his possessions

"except in the public interest".

In the case of changing quarantine regulations, it seems to me that it would not be the Government's intention to bankrupt kennel owners, but it would be a secondary consequence of a change in public policy. In those circumstances, the Government might say that they were not depriving private citizens of their possessions, but simply prohibiting their use, so the rules governing confiscation did not apply. However, those are weasel words and the Government should show some generosity of spirit. I hope that they will.

As to the three-year implementation period, I can say only that delay will encourage smuggling—it is as simple as that. There is a possibility that the system will be phased in. Earlier, I mentioned that Eurostar and some of the ferry services might be willing to help—indeed, being the first to be ready to transport pets might even introduce a new element of competition between those services. We shall see. In any case, the three-year implementation period is unrealistic.

I would also take issue with the suggestion that all animals should be treated no more than 24 hours before entering Britain with drugs to kill ticks and worms that might spread disease. It is not that I do not approve of preventing the spread of ticks, worms and disease, but that requirement appears to have been bolted on to the rabies debate. I am not quite sure where it comes from, but it seems likely to have originated from those who are determined that there should be no change—so we must try to demolish their arguments. That is a new idea; it should be considered on its merits and I agree that it is right for a different legislative framework. The 24-hour requirement for vaccination against ticks and worms is not enforced under the Balai arrangements for trading cats and dogs; nor is it enforced for horses entering and leaving the country.

Mr. Morley: The hon. Gentleman, who is making a good case, is underestimating the need to control ticks and parasites. A condition of Balai is that the animals never leave their place of origin, so they are already tightly controlled in relation to parasites.

Mr. Key: I recall the Balai regulations. I remain to be convinced that it is right to include such a measure in this system; it might slow down the operation and people might lose confidence in it. Pet owners are the first people to care for the health of their pets. It is the exception for pet owners not to recognise when their pets have an infestation or are thoroughly off colour because of worms. We must consider that measure afresh.

I welcome the proposals and I congratulate the Government and Opposition Front Benchers on their constructive stance. Four years ago, I did not think that it would be only four years before we had a proper debate on this matter; I thought it would be more like 10 years. We are making progress, but let us not wait another three years before something happens.

7.10 pm

Dr. Nick Palmer (Broxtowe): The system is an idea whose time has come, as the debate has shown. As my hon. Friend the Member for Milton Keynes, North-East (Mr. White) said, the proposals would have been much more controversial five years ago and, if we were to wait another five years, they would seem antiquated. I warmly support the proposals. Rather than reiterate the many good points that have been made, I shall focus on a few aspects of the matter.

First, the areas covered by the system should relate not to political associations such as the European Union and the European Economic Area but to a geographical area. There are places within the EU and the EEA—principally Switzerland but also Andorra, San Marino and a few other mini-states—that are not covered by those political associations, not because they are great centres of rabies, which they are not, but because, for political reasons, they decided not to join. If we include Liechtenstein in the system but not Switzerland, enforcement will be almost impossible because the border between the two countries is completely porous. I therefore urge that the area covered should be western Europe—the EU, the EEA, Switzerland and other small states.

I concur with earlier speakers that there is a strong prima facie case that the proposals could include the United States. I suggest that, during the introductory period, the Minister might commit himself more closely to consider the US position, so that it might be possible to add the United States to the scheme in a few years.

On the introductory period, the full version of the report says that Kennedy rejected a phased period because he felt that there might be a legal problem. He envisaged a form of phasing that would allow all British citizens to use the system but make foreigners wait. He pointed out that, first, such a proposal would cover two thirds of the traffic and, secondly, it would be against European Union rules. That is correct and that version of phasing is a non-starter.

I suggest that we begin by including in the scheme what one might consider, in human terms, to be hardship cases, such as people who, for a good reason, usually related to work, are taken abroad for longer than a few weeks. I am referring not to holidaymakers but to Army personnel, business men and diplomats who are posted abroad or who are already abroad and perhaps reaching the end of their period of work.

We should have a pilot project that applies to people who are leaving the country, or who have already been out of the country for one month or longer. That could be introduced possibly even before we have sufficient legislation to justify charging on the basis that those people would have to come through one or two specified

[Dr. Nick Palmer]

ports and airports. That would give us a chance to test out the system and train people. It would be difficult to train people on paper to operate such a system.

If we began with what I estimate to be a minority of the total numbers involved, that would help to smooth implementation of the scheme—we are aware that in Sweden there were teething problems—and deal with hardship cases. Much as I enjoyed the speech by the hon. Member for Salisbury (Mr. Key), he would accept that going on holiday is not as heart-wrenching as being posted abroad. Holidaymakers might reasonably agree to wait two or three years until the system had been tested and was working smoothly.

Mr. Forth: Does the hon. Gentleman accept that one of the complications in any attempt at a pilot scheme, however defined, would be the availability of approved laboratory and veterinarian facilities for certification? That will determine how the scheme operates, whether it is a pilot scheme or the final dispensation. Does the hon. Gentleman not view that as a problem?

Dr. Palmer: No, because, as the right hon. Gentleman is suggesting, the Kennedy report identifies the certification procedure and selection of the correct vaccine and laboratories as problems that must be solved, and a pilot scheme would reinforce our ability to solve them. To say that, on a certain date, 250,000 people will enter a system and all the laboratories will be set up and the arrangements will be working, is to ask a lot of our powers of organisation. If we begin with a few tens of thousands of people, we have the chance to try out the scheme on a more manageable basis and ensure that the conditions mentioned by the right hon. Gentleman are fulfilled and that implementation is foolproof.

My remaining points reinforce those of earlier speakers. The significance of the 24-hour period in tick vaccination is not clear. If it is deemed essential to introduce that vaccination at the same time as the scheme, there may be physical problems in ensuring that a vet is available on the day that the person is travelling, so perhaps that period could be extended.

I have campaigned on kennel compensation for many years, partly because I have lived abroad and felt the consequences of the present system. Those of us who will benefit from the proposals should accept that there will be a huge reduction in costs for us. I would not begrudge it if, for a transitional period of two or three years, there was an additional charge of £10 or £20 on the fee for the microchip to raise money for a decommissioning fund for affected kennels. I am sure that most people would agree, given the enormous savings that they would make.

My conclusion is the same as that of all the other speakers, with one exception. The scheme is overdue and I praise the Government for taking it up and hope that we can press forward with it as soon as possible.

7.19 pm

Mr. David Amess (Southend, West): I am delighted that we have had the opportunity to discuss quarantine measures, although I am not especially delighted to speak after my hon. Friend the Member for East Worthing and Shoreham (Mr. Loughton) because he has ruined my speech. Nevertheless, as I have sat in the Chamber since the start of the debate, I feel that I must make one or two points.

The idea that the nation is gripped by the subject of subsidiarity would be bizarre, but the nation is very interested in quarantine. If hon. Members think that it is not, I suspect that they are out of touch, because this is a nation of animal lovers. My goodness, we had the hon. Member for Wolverhampton, South—

Ms Jenny Jones: Wolverhampton, South-West.

Mr. Amess: Thank you. We had the hon. Member for Wolverhampton, South–West (Ms Jones) telling us that for her printed election address she was photographed with her cat, not her family. I also was happy to be photographed with my dog, but that is where the hon. Lady and I part company; I included my family in the photograph, because they thought that they were at least as good-looking as the dog.

On a serious note, animals are many people's life. Many people genuinely prefer animals to human beings. Some of us can understand why they feel like that. When I go home, my family is not always thrilled to see me, but my dog is. Frankly, that is because it knows that, when I come in, it will be taken for a walk.

My hon. Friend the Member for Salisbury (Mr. Key) said that he had a springer spaniel. The latter is 10 years old, so the Minister of Agriculture and the Parliamentary Secretary should note that he, for one, cannot wait three years until the measure becomes law. I have a black labrador which was bought for one of my children by my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe). It certainly reflects her formidable personality, and it seems to dominate our house.

Animals are terribly important to many people. In November 1997, I introduced a ten-minute Bill, the Reform of Quarantine Regulations Bill; I take the credit for thereby inspiring the Government to come up with this proposal, and inspiring Professor Kennedy. I introduced the Bill because, having read the speeches of Lord Waddington and Chris Patten, I had been moved by their circumstances. Some might churlishly inquire, "One had been Home Secretary and the other was Secretary of State for the Environment, so why did they do nothing about it at the time?" I shall be kind and say that I suspect that not all members of the Government agreed with the moves that they wanted to make.

I am sure that, when the Minister introduced the debate, he did not wish to imply that Her Majesty's loyal Opposition, when in government, were not seriously considering introducing a similar measure; if that was the implication, I believe that it was wrong.

When I introduced the Reform of Quarantine Regulations Bill, I spent a great deal of time talking to the representatives of all manner of organisations. Like all other hon. Members, I have praised Passports for Pets, the RSPCA, the Kennel club and the Royal College of Veterinary Surgeons. I spent much time with all those organisations, learning at first hand about our quarantine laws.

I heard the Minister say that he could not possibly take risks with the nation's health. There can be no suggestion of such risks being taken; we are at one with him on that.

The existing measures have worked successfully for a long time. However, after reflecting on the law, we have come to realise that there should be some moderation. Presumably, if one wanted to prevent all road accidents, one would ban cars and coaches. To prevent alcoholism, one would stop everyone drinking. Some measures have achieved their ends, but I doubt that the quarantine laws are among them.

When I was shown around a large quarantine centre I was struck by the fact that, in each compound, owners were kissing and cuddling their animals. It occurred to me that—never mind rabies—if the animals had an infection, the owners would catch the disease and pass it on to people outside. I saw at first hand how ridiculous the arrangements are. Moreover, in one compound there was a dog aged about 16. It was very grey and it did not have any of its required tablets and medicines with it, so it would not last much longer. I believe, therefore, that the existing measures are cruel.

I am greatly encouraged by the debate—especially because I now know that, if I am lucky enough to be drawn in the ballot for a private Member's Bill and seek to re-introduce my 1997 Bill, the Government will support me. Under no circumstances can we afford to wait three years. I do not accept that it will take that long to draft and pass sensible regulations to enable us to treat our animals humanely. I very much look forward to the Government's support if I am successful in next month's ballot.

7.26 pm

Mr. James Paice (South-East Cambridgeshire): We have had an excellent debate—which is probably not surprising, given the House's ability to discuss issues in real depth when we debate them on the Adjournment. The debate has been useful, and we should all be grateful to the Government for arranging it, although I think that some of us understand the difficulties that the Government are having in filling time while their legislation is in another place.

Mr. Nick Brown: I could fill it on my own.

Mr. Paice: The Minister says that he could fill it on his own. Perhaps he would start with a statement about agriculture. *[Laughter.]* Promises!

I thank the Minister for the way in which he introduced the debate, and express my pleasure at seeing him in the Chamber. I was not expecting him to be present because I thought that he would be at the place where I was supposed to be tonight, but I am pleased to see him. I also record my thanks and appreciation for the fact that the hon. Member for Ross, Skye and Inverness, West (Mr. Kennedy) gave me his apologies for not being able to be present for the winding-up speeches.

As my hon. Friend the Member for South Suffolk (Mr. Yeo) said, in principle, we support change, but some aspects of the proposals, make us profoundly uneasy—especially their bureaucracy and complexity and, as a consequence, their ability to ensure at least as high a level of protection against rabies as at present.

I do not mean it as a criticism, but this afternoon we have seen how easy it is to get carried away with emotion and to ignore the fundamental factor—the protection of human health and of our animals and wildlife. I realise that, in theory—and as is shown by the New Zealand assessment and the experience in Sweden—the proposed method may be even more effective than quarantine, but, as my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) said, it also matters that the system is possible to implement. Quarantine is very simple, however rough and ready—and perhaps inhumane—it may sometimes seem. My right hon. Friend quoted Mr. Ted Chandler, a vet, who expressed similar views.

I consulted my noble friend and constituent, Lord Soulsby of Swaffham Prior, former President of the Royal College of Veterinary Surgeons and the first vet to become President of the Royal Society of Medicine. He has spoken on this subject in the other place many times. He has endorsed my view that change is necessary, and he believes that the proposals of the Kennedy committee represent the way to go, although he has one or two queries, some of which I intend to convey to the House.

The proposed criteria specifically refer to the animal being resident in the EU or the European Economic Area for six months. The Minister dealt with that in so far as a UK citizen takes his animal abroad. However, the matter is slightly less clear with regard to an animal owned by somebody from France, Germany or wherever. How are we to know whether, during that six months, that animal has been to some other country where rabies exists? I hope that the Minister will be able to address that.

The Minister touched on recommendation No.34 and the possible import of exotic diseases. The committee said that it was beyond its resources to examine the issue properly. I hope that the Minister will state categorically that such a study will be carried out before the proposals are introduced; otherwise, we might find a better way of preventing rabies only to let in some other obnoxious disease.

My hon. Friend the Member for Salisbury (Mr. Key) referred to commercial transactions. I share his view that the present position is inconsistent. I was a parliamentary private secretary in the Ministry of Agriculture when the Balai agreement was drawn up for commercial transactions. I felt then that the pass had effectively been sold and that we would have to move forward on similar grounds for dogs and cats.

My hon. Friend the Member for South Suffolk referred to concerns about the efficiency of the system and the availability and universality of the technology involved. Professor Kennedy recommends a central data base, although he says that it is not essential. Surely that is an essential tool, with terminals at every port. How else can fraud be prevented? We cannot be certain that the controls will not be evaded. It may be almost impossible to transfer a chip from one animal to another, but it is not impossible to alter documentation. We must ensure that every eventuality is covered. However much we might like to think otherwise, someone will always want to evade the controls. Like my hon. Friend the Member for East Worthing and Shoreham (Mr. Loughton) and many others, I have seen the PetLog system and that seems to be a good example of what could be provided.

I come now to the systems that other countries will be required to use for their nationals entering Britain. Who will issue the health certificates in other countries? How can we ensure that that will be done with the professionalism and rigour that we would expect from our own vets? That brings us to the issue of what veterinary

[Mr. Paice]

qualifications we recognise in some of the countries whose citizens may be coming here with a dog, hoping that they have the necessary certification.

The Minister said that, if someone comes in with inadequate documentation, the animal will have to go into quarantine, at least until the matter is sorted out. However, there is a difference between inadequate documentation because a form has not been filled in properly or is incomplete, and what appears to be a perfectly valid set of documents, but which have been produced and signed by somebody who is not displaying the rigour necessary if the system is to work.

There is an International Standard Organisation standard for implants which, presumably, would be used by the Government, but, as has been said, other systems are in use throughout Europe. I hope that the Minister will tell the House how interchangeable that technology is and how transferable any information from it would be between other countries if we wish to move in that direction. I understand that there is no standard serological test and no designated laboratory in Europe to do it. The Government must move quickly to set the right standards for those tests and to bring uniformity to the arrangements.

The Minister properly referred to the issue of costs, and he answered one or two interventions, for which we are grateful. I hope that he or the Parliamentary Secretary will confirm that dog owners who do not seek to take their dog abroad will not face any costs as a result of the proposal.

Mr. Nick Brown *indicated assent.*

Mr. Paice: I am grateful to the Minister for his confirmation that the cost will fall on those dog and cat owners who take their animals abroad. I assume that that means that the annual costs of running the system will be put into some sort of charge. Will he elaborate on the initial cost of up to £4.4 million according to the report? Will that be annualised into the charge or funded in some other way? Several hon. Members have said that it would be wrong for the taxpayer to be involved and the Chancellor clearly agrees.

I think that all hon. Members who have spoken have referred to the three-year timetable. That has clearly surprised many of the representatives of outside organisations that are involved in the issue, many of whom will be reading the debate. I hope that the Minister will confirm that the matter will be looked at again. That would be welcome. It does seem a long time, but the matter must be got right. At the end of the day, we must ensure that, because that is the most important thing.

My right hon. Friend the Member for Bromley and Chislehurst said that he is always concerned about consensus because if anything is a matter of consensus, it must be wrong. He knows, because we have talked about it many times, that I have a lot of sympathy with that view. The real problem is that such consensus often results in a hurried piece of legislation. That is one reason why I am usually so cynical.

Mr. Morley: That is not this case.

Mr. Paice: Yes, that is why I am prepared to disregard my concern about consensus. This matter is clearly receiving a lot of time and deliberation. We must not rush its introduction, but we must not delay it more than is essential.

I intended to propose a pilot scheme, but the Minister pre-empted me and I am delighted that he did. Nearly every hon. Member has supported the idea of such a scheme. There have been many suggestions and a number of bids from constituencies to have such a pilot—surprise, surprise. I hope that the Minister will now give serious consideration to that prospect.

I come now to the legality of the proposals vis-a-vis Europe. The Minister said that he had been in close contact with the Commission, and we appreciate that. It is what we would expect of him. However, the Minister and his predecessor said, and continue to say, that, with regard to food safety, they are allowed not to check every consignment of food from Europe that comes into this country, but only to make random checks. If so, and that is the line that has been followed for the past 18 months, I hope that the Minister will be able to confirm that he will be able to carry out checks on every cat and dog coming into Britain, and that he will not be prevented from doing so by the same legislation that prevents him from inspecting every food consignment.

The Minister nods, and I hope that I can take that as confirmation.

Recommendation No. 27 says that the new system would be transitional while a Europe-wide scheme was developed. I share the views of many hon. Members who believe that the British people will accept the proposed new system, if we can persuade them that it will offer better protection than the present system. However, they will not accept any dilution of that scheme for the sake of European harmonisation, so I hope the Minister can assure us that he will not agree to any modification of our new scheme with the objective of attaining a Europe-wide scheme that is less effective.

Another issue, which was raised by my noble Friend Lord Soulsby of Swaffham Prior, relates to the veterinary certificates that are currently required to take a dog abroad from this country, in many cases at a cost of £50. We have not been told whether that system is to be maintained or abandoned. Concern is expressed in recommendation No. 26 that, even under the present system, no effort is made to trace the considerable number of import licences that are issued but not used. That requires investigation.

A further question, which may raise one or two eyebrows, concerns animals that fail the test for entry into Britain. The Minister said that such animals would have to go into quarantine while the matter was sorted out, or be re-exported. Some people may not be able to afford the costs involved. I hope that the destruction of those animals will be an option if that is what the owners want. That may not seem a satisfactory solution to many people, and I hope that the option would be exercised only rarely, but we have not heard whether it would be available.

Several hon. Members spoke about the issue of north America, including my hon. Friends the Members for East Worthing and Shoreham (Mr. Loughton) and for Salisbury. It is unclear whether the definition of north America includes Mexico. The report states that very few animals enter from north America. The assumption is that, if quarantine were ended, the number would remain low.

As a Member of Parliament with a high number of United States service men living in my constituency, I am not sure that that would be the case. If it were easy for service men to bring their animals in, the numbers would rise considerably. Representations have been made to me along those lines.

I hope that the Government will undertake, as they have been urged by several hon. Members, to carry out an assessment of the situation concerning north America, particularly as the New Zealand assessment for the United States gave a lower level of probability of failure to control rabies through a vaccination programme than through six months quarantine. That was reinforced by the Kennedy report, which states that, if animals from any country are satisfactorily identified, vaccinated and blood tested, the risk is reduced, compared to quarantine. We envisage allowing animals from the EU and EEA to come into the country. Neither of those areas is rabies free, so the position with regard to north America is anomalous.

We have had an excellent debate and, as has been observed, a consensus seems to be developing. In this case, that is highly desirable and the Opposition are willing to participate. As we all know, however, there is a huge difference between theory and practice. The proposed system is far more complicated than the present one. There are many questions to be answered before we can give it our whole-hearted support. I hope that the Parliamentary Secretary will respond to the many concerns that I and others have expressed. If he cannot, I hope that the Government will find the answers and ensure that the problems are resolved before the scheme is introduced. As long as that scheme is effective, the sooner it comes on stream, the better.

7.43 pm

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mr. Elliot Morley): We have had a constructive debate on the report. I add my congratulations to Professor Kennedy and his team for the thorough way in which they have undertaken their task, following the brief that they were given by the former Minister of Agriculture, Fisheries and Food, my right hon. Friend the Member for Copeland (Dr. Cunningham).

I shall try to deal with various points that were raised by the hon. Member for South Suffolk (Mr. Yeo) in his opening speech for the Opposition and by the hon. Member for South-East Cambridgeshire (Mr. Paice) in his closing speech. With regard to enlargement of the European Union, the issue of new member states would have to be addressed by the European Commission, which has its own procedures for controlling rabies. I assume that that would include eradication programmes, which have been extremely successful in northern Europe.

The microchip that is proposed by Professor Kennedy should conform to ISO standard 11784. Much work has been done on microchip technology. One hears stories about microchips moving around animals' bodies. That is somewhat exaggerated—it sounds as though the microchip goes round the bloodstream. There was some migration of the early microchips, but that has been rectified by microchip design, particularly of the surface of the microchip. Even in the case of the early microchips, any movement was within a fairly limited area where the microchip had been inserted.

My hon. Friend the Member for Dover (Mr. Prosser) gave a considered response to the Kennedy report. Representing a major point of entry and having quarantine kennels in his area, he has a substantial interest in the matter. If the Dover harbour board builds new facilities for the animals that will come in, it can recover the costs through harbour charges, as it does at present for any new facility that it provides—for example, for roll on/roll off or passenger ferries.

My hon. Friend, and other hon. Members, asked about the prospect of compensation for quarantine kennel owners. People who run quarantine kennels fear that, if the proposed changes are introduced, they will be severely disadvantaged. I understand that. There are about 80 quarantine premises in Great Britain. Quarantine will, however, survive in some form, even under the recommendations of the Kennedy report. Quarantine kennel owners will not have their land or buildings confiscated. They will still be able to use their facilities. Providing quarantine boarding will still be an option, as will other commercial activities such as normal boarding facilities, which are increasingly being used.

The Kennedy report found that the risk of allowing animals into Britain from some countries without quarantine is simply too great at present. In countries such as India, street rabies is endemic. The advisory group made it clear that animals must go into quarantine if the proper paper work is not available or if there is genuine doubt about compliance with the rules. That was emphasised by my right hon. Friend the Minister. It is also likely that such animals will have to be quarantined for a period.

Dr. Palmer: I seek clarification. I presume that, as now, it will be possible to take the animal away and apply at a later date, and that it would not be a tightening of the present regulations.

Mr. Morley: I am not sure whether my hon. Friend means take the animal out of the country.

Dr. Palmer *indicated assent.*

Mr. Morley: That might be an option, because that option exists now in the case of people who bring animals into the country, unaware that they should go into quarantine. Those animals have to be removed from the country. I suspect that the same regulations would apply in those cases. There may be the option of keeping the animals in the country but putting them into quarantine. I think that people would have that choice in those circumstances.

Quarantine kennel owners have asked for compensation if the rules are changed. That request was supported by the Agriculture Select Committee in 1994. However, as some hon. Members have acknowledged, it is a long-established principle that Governments do not compensate commercial operators for loss of business when health controls are introduced or removed. It would be wrong to offer any prospect of departing from that principle. Furthermore, if new legislation impacts on a business, automatic right to compensation does not necessarily follow. For example, the head deboning industry closed down overnight as a result of BSE regulations, and gun shops were affected by the firearms legislation. There are many other such examples.

[Mr. Morley]

I acknowledge that quarantine might command wider support if people thought that their pets were as well looked after on quarantine premises as they would be at home. Concerns have been expressed about some quarantine kennels and, although it would be wrong to generalise, there have been many reports of poor treatment. The lack of statutory welfare standards for quarantine premises has been a gaping hole in our controls, but thanks to the excellent work of my hon. Friend the Member for Newport, West (Mr. Flynn), who introduced a ten-minute Bill, we now have on the statute book the power to introduce such standards. We intend to make full use of that power and will hold a full public consultation in due course.

The hon. Member for North Thanet (Mr. Gale) has been consistent in his campaign for change. He is right to say that the quarantine issue is not necessarily one of cost, but the fact that people do not want to be separated from their pets. I understand that. He is also right to say that proper safeguards need to be implemented and that, even once the changes have been introduced, quarantine will continue and welfare standards must still be properly applied.

The hon. Gentleman also mentioned time scale. That was echoed by several other hon. Members, including my hon. Friend the Member for West Lancashire (Mr. Pickthall). We agree that the recommended three years is a long time. As my hon. Friend the Minister said, there is a lot of work to do before the changes can be implemented, including introducing primary legislation, which is a delay in itself.

Mr. Key: There has always been a dispute about whether primary legislation is needed. I have been advised that we could simply amend the regulations. I understand that, politically, it might be better to opt for primary legislation but, technically, the changes could be made by amending secondary legislation, so let us not rule that out.

Mr. Morley: I assure the hon. Gentleman that we shall look at the matter closely because it is always easier and better to introduce changes through secondary rather than primary legislation. We can thus avoid the problem of time slots. However, we are advised that, as charges are involved, and because of the element of compulsion in those charges, primary legislation would be required.

Dr. Palmer: Several hon. Members have mentioned the possibility of a pilot scheme. Would it not be sensible to have no charges under the pilot scheme to allow for the fact that procedures would move more slowly and people would have to put up with various difficulties?

Mr. Morley: I shall come to the idea of pilot schemes in a moment. The problem of introducing pilot schemes without charges is that it is always more difficult to introduce charges later.

My hon. Friend the Member for West Lancashire has a long involvement in this issue. He was a member of the Select Committee on Agriculture that made the case for change in the quarantine laws in 1994. Although, at that time, many people were not persuaded by the case for change, the detail that the Select Committee went into changed many people's minds. It certainly influenced me. Although I had always thought that there was a case for change, the Select Committee's detailed arguments made it clear that it was time to look at the matter properly, as Professor Kennedy has, and to assess all the risks. As my hon. Friend said, people must be reassured. I join him in congratulating groups like the Royal Society for the Prevention of Cruelty to Animals and Passports for Pets, which have taken a constructive approach to the issue and made sensible and detailed arguments.

The hon. Member for Ross, Skye and Inverness, West (Mr. Kennedy), who apologised for being unable to be here for the winding-up speeches, made a balanced and constructive speech. He raised the famous case of Whisky and Soda. Although prominent and famous people who have raised the issue in the press have helped to advance the debate, it would be wrong to assume that the proposed changes have been driven by people who happen to be wealthy and powerful. People have been arguing for change for many years. The proposed changes are not a response to those who are fortunate enough to be able to articulate their inconvenience at being unable to bring their dogs back from Hong Kong. The issue is about the concerns of service families, diplomats and people who work and live abroad—those who simply do not want to be parted from their pets.

The hon. Member for Ross, Skye and Inverness, West and my hon. Friends the Members for Loughborough (Mr. Reed) and for Wolverhampton, South-West (Ms Jones) spoke of guide dogs. Professor Kennedy considered that matter, but did not make guide dogs a special exception because they are as vulnerable to rabies as any other dog. However, we have discussed pilot schemes and ways to implement the change. We are in a consultation period, so we can consider all the issues carefully. There is certainly an argument for considering guide dogs in any pilot scheme, so long as they comply with the recommendations put forward by Professor Kennedy.

I was interested in the comments of my hon. Friend the Member for Wolverhampton, South-West about the impact of separating people from their animals. Studies show that separation can be detrimental to both animal and owner. I understand how important the issue is to my hon. Friend, given that she was photographed with her cat for her election address. I know of a prospective parliamentary candidate who was photographed with a donkey for his election address. He was not successful in his campaign, so those matters must be considered carefully. I have two cats, one of which was rescued. One is called Boris—I shall not say why he was named after Boris Yeltsin, but he is fairly laid back. The only stress that he would suffer from separation would be separation from his lunch.

Just as we were having a constructive, consensual discussion, along came the right hon. Member for Bromley and Chislehurst (Mr. Forth) who put a spanner in the works. I hope that his mother-in-law will not have to look for a new excuse for not visiting him if the quarantine laws are changed, given some of his attitudes. It appears that the Euro-sceptic poison in the Tory party bloodstream runs very deep. The proposal for quarantine reform is not some kind of Euro-federalist plot. It is a little bit more constructive than that.

I emphasise to the hon. Gentleman the serious point that he made: we are not prepared to take risks with this country's rabies-free status. We are all agreed on that, one of the important points which Professor Kennedy had to consider. As a number of hon. Members said, public confidence must be maintained when any change to the law is made.

My hon. Friend the Member for Loughborough was absolutely right about cost. I make it clear that the cost of changes will be based on full cost recovery for those who use the service, which is only right and proper, and there would be a considerable saving on the current cost of quarantine. He also mentioned north America where, as Professor Kennedy recognised, rabies is endemic. I should make it clear that we do not include Mexico in north America in geographical terms.

Mr. Paice: Someone did.

Mr. Morley: I do not know who, but that person is not from the Labour party. We understand geography quite well enough not to include Mexico in north America. We recognise, as did Professor Kennedy, that standards of veterinary and animal care in north America are high, so there is a case to consider. Again, that can be done as part of the consultation.

Mr. Reed: This is a second bite of the cherry, but I reiterate that, because of the system in the United States, the particular guide dog is already chipped, has a health certificate and would meet the requirements in the Kennedy report. Does the Minister agree, therefore, that north America, and those states that are already covered, have a strong case for being in the first wave?

Mr. Morley: There is a case, and Professor Kennedy acknowledged that in his report. Further consideration will be given to that as part of the process.

Mr. Paice: The Labour party may know that Mexico is not part of north America, but the Americans clearly do not, given that the North American Free Trade Agreement includes Mexico.

The Minister has answered questions about running costs, but I mentioned set-up costs, which will be £4.4 million. Can he shed any light on where the funding will come from?

Mr. Morley: That is one of the issues that we shall have to consider as part of the response to Professor Kennedy. It is possible, for example, that the set-up costs could be recovered over time, as part of the overall charging regime. We can consider that issue, and I do not think that it is a particular problem.

The hon. Member for East Worthing and Shoreham (Mr. Loughton) put forward a good argument about the advantages of the changes. It is worth emphasising that the regulations will not be weakened; in many ways, they, and the measures that protect our country from rabies, could be strengthened. I also accept his arguments on the progress that has been made on eradicating fox rabies. A scheme in northern Europe, involving dropping bait from helicopters, has been successful and should be extended to eastern Europe, where fox rabies is concentrated at present.

The hon. Member for East Worthing and Shoreham mentioned dog registration, which is a matter for the Department of the Environment, Transport and the Regions, not the Ministry of Agriculture, Fisheries and Food, to consider. He made a persuasive case for dog registration, and those arguments will be considered in due course.

My hon. Friend the Member for Milton Keynes, North-East (Mr. White) was right to refer to the atmosphere of the debate, because we would not have had such a calm and rational discussion about changing the quarantine regulations a few years ago. There have been changes in technology and, as he mentioned, we have the experience of Sweden, which has changed its quarantine control regulations.

The hon. Member for Salisbury (Mr. Key) made a good case, and I understand his desire to take Tigger on holiday in its advancing years. I should point out to him, however, that there will be a charge for taking animals on holiday, and people will have to weigh that up. This is not simply a matter of taking the dog across the channel for the day on a shopping trip; there will be a charge, and strict regulations to ensure that our rabies-free status is not undermined.

I was interested in the remarks of the hon. Member for Salisbury about a trial in Cyprus. In 1994, when I spoke from the Opposition Benches, I suggested to the then Government that a trial in Cyprus would not be a bad idea because, as the hon. Gentleman rightly said, it is rabies free and there would be minimal risk. We have the Kennedy recommendations, and we could perhaps consider the option of a pilot scheme on an even larger scale. We must consider the issues, and some interesting ideas have been put forward.

My hon. Friend the Member for Broxtowe (Dr. Palmer) made some interesting and thoughtful suggestions on trial areas, based on the amount of time that people stay out of the country. We want to consult widely on the Kennedy report, and those issues can be considered and evaluated so that we can decide what is the best way to implement the recommendations.

My hon. Friend the Member for Broxtowe also mentioned Switzerland and mini-states. Switzerland is not a member of the European Union or of the European Economic Area, but, nevertheless, its role can be considered within the evaluation. Some of the mini-states that he mentioned are part of the EEA, along with countries such as Norway and Iceland. They would be embraced within the Kennedy recommendations.

I remember the ten-minute Bill of the hon. Member for Southend, West (Mr. Amess), although it would need a fair bit of redrafting in response to the Kennedy report. Introducing that measure was a useful contribution to the debate, although I do not want to underestimate the great deal of work and preparation that has to be done, even in respect of dealing with the report's recommendations. My right hon. Friend the Minister of Agriculture has made it clear that we are sympathetic to the recommendations, and we shall approach them in that light.

The hon. Member for South-East Cambridgeshire expressed concern about regulation, which I understand. Regulation can be a problem and can be bureaucratic, but he would agree that, because the measures represent a major change, especially in this country's psyche on rabies and rabies control, they must be effective and

[Mr. Morley]

rational. They must also be as easy to understand as possible, and we must explain them to educate the public about what the changes will mean and what pet owners will have to do to comply. The measures have to be in place to protect the interests of this country.

Mr. Paice: I was expressing doubt, not about the regulations, but about being able to manage and enforce them properly. At least we have a simple system at present; the proposals are far more complex, and getting it right will be that much more difficult, which is the point that the Minister has made.

Mr. Morley: There is no disagreement between us on that point. These are complicated matters, but we must not compromise our rabies-free status. We have to address the issue of delivering the changes as coherently as possible.

I can confirm to the hon. Member for South-East Cambridgeshire that the cost of any changes in quarantine regulations will fall only on those who take animals out of, or bring them into, the country, not on pet owners who do not want to be involved in the scheme. He also mentioned the EU, with which we have to work closely because of single market regulations and the Balai directive, which is already in place.

We shall consult closely with the European Union. I emphasise that our top priority is to ensure our rabies-free status. The measures that we put in place must be tailored for our country and our circumstances. We understand that, and we think that that issue has been addressed by the Kennedy report.

Other issues have been raised, and questions have been asked about the details of how this process will work. They will be addressed during this consultation period and when the Government give their formal response to the Kennedy report. People will make representations and give their views on how it will work in practice.

As there is wide consensus in the country, we are now able to reform our quarantine laws without undermining the original intention of protecting our rabies-free status. We can protect people's health and welfare through regulations that will allow freedom of movement for animals.

That is a challenge, but Professor Kennedy has provided a framework. With good will and a rational approach by the various interest groups—welfare groups, veterinary organisations and the public—the time is right to think about a change. I believe that this change will be for the better and not for the worse, and will enhance quarantine control and protect against associated health risks.

Mr. Kevin Hughes (Doncaster, North): I beg to ask leave to withdraw the motion.

Motion, by leave, withdrawn.

Power Lines (Electromagnetic Fields)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Kevin Hughes.]*

8.11 pm

Miss Anne McIntosh (Vale of York): I am grateful for the opportunity to have this debate. I am sure that the House will join me in congratulating the Minister for Public Health, who has today been appointed a Privy Councillor.

I shall explore the dangers to health caused by exposure to electromagnetic fields near power lines. In preparing for the debate, I was immensely grateful to be able to consult the work of Professor Denis Henshaw at the university of Bristol, which is entitled "Mechanisms of increased exposure to environmental pollutant aerosols near high voltage powerlines"; the work of Professor Mike O'Carroll, emeritus professor at the university of Sunderland and chairman of Rural England Versus Overhead Line Transmission, otherwise known as REVOLT; and the report of the working group of the United States National Institute of Environmental Health Sciences entitled "Assessment of Health Effects from Exposure to Power-Line Frequency Electric and Magnetic Fields".

All that work proves that there is a strong possibility that electromagnetic fields contribute to cancer in those living near overhead power lines. In those circumstances, I am calling on the Minister to comment conclusively on the health aspects. If I were her, I would not want on my conscience any negative effects of a newly proposed giant, high-voltage power line between Lackenby and Shipton via Picton through the Vale of York. I hope that an element of doubt will be raised this evening sufficient to delay the construction of that line until the health aspects have been fully explored.

House of Commons research paper 94/119 of 24 November 1994, entitled "Overhead Power Lines and Health", takes up the suggestion that exposure to electromagnetic fields near overhead power lines may increase the risk of contracting cancer. It examines scientific evidence for such a link. It summarises the relevant exposure restrictions recommended by the National Radiological Protection Board, based on established health effects arising from exposure to electromagnetic fields and radiation.

Electricity and magnetism are different aspects of the same physical phenomenon. They are natural processes that are seen in thunderstorms. The earth has a steady, static electric field arising from electrically charged atoms and molecules in the atmosphere. The strength of this electrical field near the ground is about 120 volts per metre. That is a measure of the force that would be exerted on an electrically charged particle placed in the region of space permeated by the field. Electrical currents below the earth's crust give rise to a magnetic field. The direction of that field is determined by the force that it exerts on a compass needle.

Teslas give magnetic flux density—the common measure of strength of magnetic fields. The House of Commons research paper gives the power frequency magnetic flux densities at various distances from various household appliances. At 3 cm from a hair dryer, the magnetic flux density in microteslas falls within the range

of six to 2,000 microteslas. At 30 cm from a hair dryer, it falls between 0.01 or less and 7 microteslas. At 3 cm from a gentleman's electric shaver, it falls between 15 and 15,000 microteslas. At 1 cm from an electric overblanket, it falls between 2 and 3 microteslas.

On 10 June 1997, the Minister replied to a written question on potential health risks posed by mobile phone usage and the use of electric blankets. She said:

"The Department obtains advice from the National Radiological Protection Board . . . on the risks to health of exposure to electromagnetic fields.

The NRPB's advice is based on . . . scientific studies . . . carried out by the World Health Organisation, by the NRPB Advisory Group"

and others. She said that NRPB's advice is that

"there is no convincing scientific evidence that exposure to microwave radiation associated with mobile phone and electric blanket usage is harmful to . . . health."—[*Official Report*, 10 June 1997; Vol. 295, c. 422.]

I ask the House to contrast that decision on so-called inconclusive scientific evidence with the decision taken by the same Government—albeit a different Department, the Ministry of Agriculture, Fisheries and Food—to ban the sale of beef on the bone. Why and how did the same Government jump to ban beef on the bone with much less available evidence than we have of the dangers from electromagnetic fields? The Government are quick to act at one level and ban beef on the bone on the basis of inconclusive scientific evidence, whereas they are reluctant to act on the threat to health, particularly children's health, from exposure to electromagnetic fields near overhead power transmission lines.

Ms Sally Keeble (Northampton, North): I congratulate the hon. Lady on securing this important Adjournment debate. I also congratulate the Minister on her appointment.

Is the hon. Lady aware that there is a cluster of families in my constituency whose children have had childhood leukaemia, two of whom tragically died? Is she also aware that Professor Henshaw is coming this weekend to look at the impact of power cables that are above the ground and close to the railway lines behind their homes, and to consider the possible role that electromagnetic fields from those power cables may have played in causing the children's illness?

Miss McIntosh: I am indeed. I am grateful to the hon. Lady for raising that issue. The House and the Minister will have cause to be grateful to Professor Henshaw for his studies. I hope that some good news follows from his visit to the hon. Lady's constituency.

The Government and the National Grid will argue that the proposed line through the Vale of York and elsewhere in North Yorkshire does not pass through centres of population. That is not strictly correct. Certain stages near the start of the line go through residential centres. Even in the Vale of York, the lines pass within a mile of a village or the outskirts of a town.

I believe that the Government need to develop a systematic approach to hazards whose effects are not precisely known and will become clear only over time. Although the scientific evidence may not be conclusive, it is sufficient to raise questions and concern and, in my view, to justify a delay in the construction of any further power lines until the full effects are known. The term "prudent avoidance" is often used by the United States Government in relation to possible health hazards. Although the Government will not legislate, they will advise people to avoid the dangers.

Two possible links with cancer arise from such hazards: energy effects—electromagnetic, for instance—and information effects, interfering with the body's chemical and hormonal systems. In June 1998, the United States published a report produced by the National Institute of Environmental Health Sciences, which I have with me this evening. It is important, in that it reinforces the view that power lines are a possible cause of cancer. If the Minister reads no other part of the report, I strongly urge her to read page 396, and, in particular, the conclusion that carcinogens may be caused in humans by power lines. The report states:

"electric and magnetic fields such as from powerlines are a possible human carcinogen".

That statement is accompanied by a 500-page report, which is widely available on the internet. Distinguished scientists from Sweden, France and Italy participated.

The report raises the question of planning in relation to houses near power lines, and it is bound to have an impact internationally. Notably, and regrettably, no United Kingdom expert participated in the study that produced it. Is the Minister aware of that study, and of its wide health implications?

Research based at the university of Bristol under Denis Henshaw, professor of physics at the university, is concentrating on trying to find a causal mechanism to explain the acknowledged increase in the incidence of leukaemia under high-voltage power lines. Professor Henshaw is now aware of five separate mechanisms through which the electric field from power lines interacts with airborne pollutants in a way that leads to increased exposure near power lines. Childhood leukaemia is known to be associated with airborne traffic pollution, and the Bristol university hypothesis is based on increased exposure, under power lines, to an agent that is already firmly linked to childhood leukaemia.

The research has progressed as far as demonstrating increased exposure to an agent—traffic pollution—that is known to be linked to childhood leukaemia; but the general concern at Bristol university about the health effects of living under power lines goes well beyond the childhood leukaemia risk. I wonder whether the Minister is aware of the work conducted by Professor Henshaw and his team.

Another question is how far housing developments should be from a 400,000-volt power line. Given the existence of continuous and increasing exposure to environmental pollutants, 20 m is far too close. Epidemiology demonstrates that the preferred distance is 100 m. However, an unpublished report by the United States National Council on Radiological Protection in 1990 made a recommendation stating that being 150 m from overhead power lines was potentially dangerous. Does the Minister agree with that analysis?

Although the power lines that are to be built through the Vale of York from Lackenby to Shipton via Picton will not go through a large centre of population, they will nevertheless pass by such centres, and over many hamlets and large farm dwellings. Does the Minister, as a Public Health Minister, really want on her conscience the

[Miss McIntosh]

remotest possibility of the formation of clusters of cancer, such as leukaemia, which could be related to the new giant transmission line that the Government have allowed?

I invite the Minister to consider the weight of the evidence, to operate the policy of "prudent avoidance" that exists in Sweden and part of the United States, and to delay the construction of any further power lines until more is known about their health effects and potential risks. Finally, may I ask whether she will agree to a moratorium on the building of any more power lines at this time?

8.25 pm

The Minister for Public Health (Ms Tessa Jowell): I join my hon. Friend the Member for Northampton, North (Ms Keeble) in congratulating the hon. Member for Vale of York (Miss McIntosh) on securing a debate on an issue that is extremely important to her constituents, and in regard to public health more generally.

Let me give some of the background. The decision to grant consent for the building of the North Yorkshire lines was made in March this year, following public inquiries in 1992 and 1995. The then Secretary of State for Trade and Industry concluded:

"in the absence of any material change in the evidence of any harmful effect from electric and magnetic fields emitted by power supply equipment, possible health effects provide insufficient grounds to refuse consent to the development."

The issue applies not only to the Vale of York, but to any part of the country where people are concerned about power lines.

We are exposed to electromagnetic fields every day in many different ways, at home and at work. Kitchen appliances, computer screens in offices, security systems in shops and airports and the networks of power transmission lines and radio and television stations all emit those fields. Industry, transport and defence networks, and hospitals depend on electrical equipment emitting EMF in one form or another. It must be recognised that EMF can never be completely avoided. Electromagnetic fields also occur naturally. The earth produces natural fields: magnetic fields at the earth's surface are produced by electric currents flowing deep within the earth's core. Electric and magnetic fields are also produced in the atmosphere. The strength of those fields changes with weather conditions; that excludes the massive effects of lightning strikes. Electrostatic fields are not uncommon, and can be encountered from charged objects in the home and at work.

During the 20th century, environmental exposure to man-made EMF has increased steadily owing to the demand for the provision and consumption of electricity, advances in technology and changes in social behaviour. In the 1960s and 1970s, the main concerns involving power lines were to do with their aesthetic impact, their interference with radio or television reception and problems with noise and perception.

In 1979, concern about the alleged link between cancer and public exposure to magnetic fields arose because of an American study of the incidence of childhood cancer in Denver. That study, and the public and media interest that it created, stimulated much of the scientific research that followed. The hon. Lady has outlined the range of conclusions that that research has produced.

Since then, many human health studies have been published around the world. Some of them have found an increased incidence of illness in people living close to power lines, but other studies have not. However, it should be noted that the risk, where it has been quantified, is usually small.

A great deal of attention, usually by the media, may be given to a study that suggests a health risk, despite the large number of other studies that do not suggest such a risk. In considering important public health issues, it is important that the balance of risk is made clear.

Currents produced in the body from electromagnetic fields near power lines are weaker than natural currents in the body, such as those produced by the brain and heart, so some scientists argue that it is impossible for EMF to have any important effects. Other scientists argue that, just as a trained ear can pick up a familiar voice or cry in a crowd, so a cell in one's body may respond to induced current as a signal that is lower in intensity yet detectable even through the background noise of the body's natural currents.

Laboratory studies, often using high-intensity electromagnetic fields—higher than those to which we are normally exposed—have shown that some biological effects can be caused by exposure to EMF. However, biological effects do not necessarily translate into health effects—an important distinction. In most cases, it is not clear how EMF produces those demonstrated biological effects; in particular, no mechanism has been established for possible carcinogenic effects.

Some biological effects are well known. Strong electric fields, such as those beneath large transmission lines, can cause hair on the exposed head or arms to vibrate slightly. That is felt by some people as a tingling sensation. EMF from transmission lines can also, in some circumstances, cause nuisance shocks from voltages created by EMF on objects or metal structures, such as fences.

Miss McIntosh: I have some difficulties with the Minister's arguments, for reasons that I hope that she will understand. I believe that any death caused by living too close to a power line carrying high-voltage electricity is one death too many. Does her Department have a formula, such as the one used by the Department of the Environment, Transport and the Regions to establish how many deaths there have to be before a roundabout is built? Why is it more acceptable for a pylon to pass within 20 m or 100 m of a dwelling that houses 10 people than for a pylon to pass close to a housing development?

Ms Jowell: Risk assessment is an extremely important way in which to make judgments about difficult and contentious public health issues. It is also an important and vivid way in which to convey information about risk to the public. However, it is a developing science and, although we can use calculated risk assessment to demonstrate the harm that some actions may cause, we cannot yet use it with scientific certainty as the sole guide in making decisions that may also, for example, involve planning considerations.

Last year, the hon. Lady took part in a debate about the siting of electric pylons in her constituency; the issues that she raised were primarily environmental rather than health

related. Of course, our overriding concern is to protect the public's health and to prevent death, but the means of conveying risk levels is difficult. I do not believe that the methodology is sufficiently developed to be used as the sole basis for making such decisions, which is why we rely so heavily on the expert advice of scientists who are qualified in this field.

Before I set out some of the more detailed scientific background that informs Government policy, I shall say something about the guidelines on exposure restriction. At relatively high EMF intensities, there are short-term immediate health effects—including subtle effects on the nervous system—against which people need to be protected. For some types of EMF, such as microwaves, the main effect is the heating up of tissues in the body.

Those well-established effects have been thoroughly studied and documented for many years, and guidelines have been published on the exposure limits that may prevent such effects. Although the restrictions need to be considered only in industrial premises using high-intensity EMF, it is also important that people are given proper guidance about protection in their homes.

In the United Kingdom, guidance on the levels of exposure restriction is obtained from the National Radiological Protection Board, an independent body that was set up under statute to provide radiological advice. Industry and planners currently follow those guidelines to protect workers and members of the public. Discussions are under way to harmonise guidelines throughout Europe based on the recommendations of the International Commission on Non-Ionizing Radiation Protection, an organisation comprising individuals from many countries with expertise in the effects of EMF.

Both those bodies, along with the World Health Organisation, have looked long and hard into the scientific data on which they will base their guidelines. All have agreed that the available data on potential long-term effects, such as cancer, are insufficient to provide a basis for setting exposure conditions.

In 1992, the overall position was summed up in a review of the published literature by the NRPB's advisory group on non-ionising radiation. The advisory group concluded that there was no firm evidence of a carcinogenic hazard from exposure that could be associated with residence near major sources of electricity supply, the use of electrical appliances or work in the electrical, electronic or telecommunications industries. The independent advisory Committee on Medical Aspects of Radiation in the Environment endorsed the advisory group's report.

The advisory group's position was mirrored in the US by the National Academy of Sciences, which undertook a similar review in 1997. A more recent epidemiological study of childhood cancer by the US National Cancer Institute produced results that, using the authors' own words, can be summarised as "reassuring rather than alarming".

Very recently, the National Institute of Environmental Health Sciences working group voted, by majority, that EMF should be treated as a "possible human carcinogen", a definition that appears to be based on a recognised category laid down by the International Agency for Research on Cancer. The proposal is at public consultation stage, and a final report is due to go to Congress before the end of 1998.

Despite the reassurances of some of the reviews and statements, there clearly remains widespread concern. Moreover, the positive association from a few studies suggests that there is good reason to continue to investigate the issue both experimentally and epidemiologically. Indeed, all the bodies—and we ourselves—agree that more work needs to be done to shed light on the issue and create the greater basis of certainty that we all want.

Miss McIntosh: There was inconclusive evidence for the ban on beef on the bone, and many would say that the weight of evidence was in favour of continuing to sell it. I do not see the logic of banning beef on the bone, but allowing what is clearly a health risk to continue. There could well be evidence of that risk in the Minister's constituency.

Ms Jowell: That is an important point. Risk assessment—knowing what the odds are—takes us part of the way, but does not provide us with the definitive basis for action. Beef on the bone was banned because of the judgment that there could be a risk of a further opportunity for BSE, in the form of new variant CJD, to be transmitted into the human food chain, not only through eating beef, but through eating stocks, broths, soups and other preparations made from bones that might have been contaminated.

We considered carefully the Spongiform Encephalopathy Advisory Committee's advice on that and on other aspects of BSE, and our efforts to understand more about new variant CJD—a devastating disease about which we know so little—and, from a public health point of view, we considered it essential to close every possible window of opportunity for further contamination or further infection of humans with the properties that translate into new variant CJD.

I reiterate the clear view that there is a need for further research to allay public concern. The positive association from a few studies suggests the need for further investigation. A number of human health studies have been carried out, especially in Europe and North America, and more are under way. Most of the emphasis has been on cancer. A few of the studies suggest that exposure to low levels of EMF may cause some effect, but those findings have tended to be weak and inconsistent, and other studies suggest no increased risk of the disease. Until now, most scientists and clinicians have agreed that the health effects of low-level EMF are likely to be very small, if they exist at all.

Experiments with healthy volunteers clearly show that short-term exposure at the levels experienced in the environment or in the home do not cause any clinical or pathological effects. Some studies report effects, but they tend to be inconsistent between studies. Many animal and cellular studies have failed to show any significant effects of exposure. Reported effects tend to be small and experiments must be performed with great care for any effect to be detected.

A great deal of effort is being directed towards investigating the effects of magnetic fields on cancer. It seems that magnetic fields alone cannot cause cancer, although some laboratory studies suggest that they speed up the development of existing cancers.

In 1996, the international EMF project was initiated by the World Health Organisation. The project will assess health and environmental effects of exposure to

[Ms Jowell]

time-varying electromagnetic fields. The project is being carried out in collaboration with national and international agencies, organisations and research institutions. The Department of Health is contributing to the funding of this large undertaking, as is the Health and Safety Executive.

The NRPB, which is highly regarded throughout the world for its expertise in the field, is an official collaborating institution with the WHO EMF project. Many international organisations are involved and a series of international seminars is being held where leading scientists present status reports on dosimetry, in vitro, in vivo and human studies. The project will publish environmental health criteria monographs of the scientific literature towards the end of the five-year programme.

The Department of Health also supports the United Kingdom childhood cancer study, a key study due to report next year. The study was set up in 1992 and is the largest of its type. It is investigating cases of childhood cancer for which the causes are still unknown. EMF is one of a number of possible causes included in the study. The Department also supports another type of epidemiological study of childhood cancer and some biological laboratory work. Results will be published in the scientific press when the studies are complete.

Researchers at Oxford university have been investigating the effects of EMF on free radicals in the body. Others, such as Professor Henshaw at Bristol university, have proposed the idea that electric fields attract very small particles such as bacteria, thereby increasing the likelihood of disease in their vicinity.

I hope that that makes it clear that we are faced with scientific data that produce a range of conclusions. The way in which we act on those conclusions is to subject the analysis to scrutiny by the experts on the NRPB. The hon. Lady raised several important points about the continuing uncertainty. The development of risk assessment, the application of best available evidence and the continuing search for greater certainty will guide what we do. We will ensure that the conclusions are published and that the process by which our decisions are reached is transparent. Ultimately, our overriding concern will be the protection of public health and safety.

Question put and agreed to.

Adjourned accordingly at twelve minutes to Nine o'clock.

House of Commons

Monday 2 November 1998

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Oral Answers to Questions

DEFENCE

The Secretary of State was asked—

Redundant Land

1. **Mr. Ian Bruce** (South Dorset): If he will make a statement on the disposal of redundant MOD land *(a)* generally and *(b)* with specific regard to HMS Osprey on Portland. [55877]

The Parliamentary Under-Secretary of State for Defence (Mr. John Spellar): My Department keeps the size of the defence estate under continual review. Any property that is declared surplus to operational requirements is sold, as soon as possible, on the open market, with the benefit of planning permission.

My Department is considering alternative uses to which the HMS Osprey site may be put. Our title to part of the land at HMS Osprey allows prescriptive rights of purchase to the Crown Estate, to which it originally belonged. A disposal strategy for those parts of the site that are not subject to these prescriptive rights is in progress. No final decisions have yet been taken.

Mr. Bruce: I thank the Minister for his visit to Portland and his attention to the problem. As he knows, I wrote to him as soon as he took office to ask whether it was necessary to close the air station and whether the site could be put to an alternative use. I was told that there was no alternative use. At least three companies are willing to buy the site and create jobs, but they have been told that they cannot even talk about making a bid until March next year. I would be happy if the Minister came forward with an alternative MOD use, but it is not good enough that, at this late stage, the Ministry is halting all its negotiations with the Crown Estate, among others.

Mr. Spellar: The hon. Gentleman is right to say that he has raised the issue with me, as has the local council. I thank him for his kind comments on my visit to Weymouth and Portland, where I had an excellent meeting with the local council, chaired by Councillor Kay Wilcox. I fully understand the concerns that have been expressed, but the hon. Gentleman must understand that we have to explore every other possible defence use for the site. Given the concern expressed by the community, which has rendered enormous service to the Ministry of Defence and the armed forces for many years—indeed, centuries—I have asked the Department to try to speed up the process to ensure that the site is returned to productive use, in one way or another, as soon as possible.

Ms Jackie Lawrence (Preseli Pembrokeshire): May I refer the Minister to the site of Trecwn in my constituency, which was declared redundant by the previous Government, and sold earlier this year? Have any discussions taken place between the Ministry of Defence and any company or individual about the possible storage of nuclear waste, including decommissioned nuclear submarines, at the site?

Mr. Spellar: We are aware that the company that bought the site has submitted to the House of Lords Select Committee on Science and Technology some proposals for the management of radioactive waste. However, the Committee is not due to report for 12 months, when we will publish a White Paper proposing a national strategy. After that, local council planning permission would have to be obtained. My hon. Friend will know that Pembrokeshire county council has revealed that it is implacably opposed to any proposals to store nuclear waste of any type at Trecwn. The matter is no longer in our hands, as the previous owner, but is in the hands of the various radiological regulation agencies and the local council. Both the local council and the local Member of Parliament have made their views clear.

Eurofighter

2. **Mr. John Wilkinson** (Ruislip-Northwood): What is the estimated interval between the entry into operational squadron service with the Royal Air Force of the Eurofighter Typhoon aircraft and its equipping with beyond visual range air-to-air missiles. [55878]

The Secretary of State for Defence (Mr. George Robertson): Eurofighter will enter service armed with the advanced medium-range air-to-air missile—AMRAAM—AIM-120B as its beyond visual range air-to-air missile. A competition is being run for the development and production of a next-generation beyond visual range air-to-air missile, but that will not enter service until a few years after Eurofighter.

Mr. Wilkinson: Will the Secretary of State ensure that there is no hiatus between the entry into service of Eurofighter and its equipping with a genuine beyond visual range air-to-air missile, such as that provided by Raytheon, the American competitor, or by Meteor, the European solution? If an interval is caused by Treasury parsimony or a German defence review, can it be filled by an extended range version of AMRAAM, so that the Royal Air Force squadrons do not suffer a lack of capability?

Mr. Robertson: Obviously, we would not want any gap in capability, but it has long been recognised that there will be a gap between the first delivery of Eurofighter in 2002 and the BVRAAM currently being examined. The hon. Gentleman mentioned one bid, but there are two, and each is being assessed in the normal way. The implications of using one system rather than the

other will be examined carefully. We intend to maximise the value of Eurofighter when it comes into service, and its weaponry is therefore of acute importance.

Mr. Ken Maginnis (Fermanagh and South Tyrone): Is the Secretary of State aware that there is some sense of a stitch-up over BVRAAM, and that it is suggested that political expediency, rather than strategic merit, is governing his Department's thinking? Will he assure competing bidders that their competing merits will be the sole criterion in determining the BVRAAM programme?

Mr. Robertson: Yes, I can give the hon. Gentleman that assurance. There is no question of a stitch-up. Two bids have been made, and they will be assessed in the normal way. The only criterion that matters is the equipping of the Eurofighter with the best possible weaponry.

Mr. Michael Colvin (Romsey): Notwithstanding the Secretary of State's answer to my hon. Friend the Member for Ruislip–Northwood (Mr. Wilkinson), he will acknowledge that the final bids are between a British BVRAAM and an American BVRAAM. Does the right hon. Gentleman acknowledge that, if the Ministry of Defence decided in favour of the American product, it would be possible for the United States of America to block the sale of the Eurofighter—the Typhoon—to third countries under certain circumstances, and that that would be damaging to British industrial and security interests?

Mr. Robertson: I wish to make it clear that one bid is European, from Matra BAe, and the other is American. We are assessing both bids using the usual criteria. We hope to announce the outcome of the competition in 1999. All the factors mentioned by the hon. Gentleman and the previous questioners will be taken into account.

British Beef

4. **Mr. David Kidney** (Stafford): If he will make a statement on his Department's policy in respect of the supply of British beef for the United Kingdom's armed forces. [55880]

The Secretary of State for Defence (Mr. George Robertson): I am pleased to advise the House that our food supply contractor, Booker Foodservice, is buying from British sources 100 per cent. of beef for consumption by our forces based in the United Kingdom. That follows agreement by the European Commission to proposals from me and my colleagues at the Ministry of Agriculture, Fisheries and Food to allow access to intervention stocks of high-quality British beef at competitive prices. We are unable to use British beef for our forces overseas at the moment because of the continuing ban on the export of British beef.

Mr. Kidney: I thank my right hon. Friend for that news, which was even better than I had expected. It will be welcomed by all farmers, especially those in the two branches of the National Farmers Union in my constituency. On their behalf, and in view of my right hon. Friend's emphasis on the quality of British products, may I push the boat out by asking whether he can achieve the same for British lamb for the British armed forces?

Mr. Robertson: I wish that we could do so. British lamb is the best in the world. I used to help to rear it, and I want British troops to eat it. I hope that the industry will compete to get it on troop canteen plates. I pay tribute to my hon. Friend the Under–Secretary of State for Defence, who has spent a lot of time and energy on this matter. An attempt was made to procure a substantial forward buy of British lamb, but that was not successful as the industry was not capable of coming forward with it. Urgent discussions continue with the farming industry and the Meat and Livestock Commission. We shall ensure that we use every effort to put the maximum amount of British lamb on British forces' plates.

Mr. Robert Key (Salisbury): Of course that is good news and we welcome it, but why has it taken so long? It was first negotiated with the commission back in February and an agreement was announced in the House in June. Six months on, fresh beef is still not to be used; the meat is out of the intervention stocks. What about getting on with British lamb? The Meat and Livestock Commission, the National Farmers Union and the contractor are willing to vary contracts and do their best with lamb. What is holding up the sale of British lamb, because at present none is used by British forces?

Mr. Robertson: I know that the public get a bit tired of being reminded that a Conservative Government were in power 18 months ago, but that Government put in place the procedures that we are having to use. My hon. Friend the Under-Secretary has used his energy and ingenuity to make substantial strides, despite the straitjacket that he inherited. At the start of October, the intervention stocks were released and now 100 per cent. of British troops are being supplied with British beef.

The discussions on British lamb continue, but we are up against the fact that the bulk of British lamb in this country is provided fresh or chilled while the Ministry's requirement is for frozen lamb. We are discussing with the contractor and the industry the best way to get the maximum amount of British lamb on to British forces' plates.

My hon. Friend's efforts in other areas have been particularly successful: 100 per cent. of the pork and 50 per cent. of the bacon used by British forces is British. We are trying to ensure that, within the constraints of value for money for the British taxpayer, we do the best for British farming we can.

Cadet Units

5. **Mr. Nigel Waterson** (Eastbourne): What proposals he has to encourage cadet units. [55881]

The Minister for the Armed Forces (Mr. Doug Henderson): The Government recognise the value of cadet forces to both civilian and military communities. As a further demonstration of our commitment to encouraging cadet units, we intend to make a modest increase in their funding.

Mr. Waterson: Does the Minister share my pride that, this Sunday, many of the Remembrance Sunday services that I and hon. Members will attend will have present not only regular and Territorial Army units but local cadet units? Has he estimated the cost of providing alternative accommodation for cadet units that use TA centres that are to be closed?

Mr. Henderson: I very much share the hon. Gentleman's pride in the way in which our cadet forces

attend our various commemoration services, including the commemoration of Armistice day this Sunday. I took great pleasure in attending the Trafalgar day celebrations a couple of weeks ago with them. As my right hon. Friend the Secretary of State will announce, a statement will be made to the House on the Territorial Army. It will include mention of the provision made for cadets. The costings on that are not yet finalised, but we gave a commitment in the debate on the strategic defence review that any cadet unit that was displaced would be reallocated to a location at least as good as the one that it left.

Mr. Andrew Mackinlay (Thurrock): Although I welcome the increase in resources for the cadets, may I raise the case of the redundant minesweepers Kellington, Pagham and Iveston, the last of which is in my constituency in Tilbury dock, and is looked after by the training ship Boxer? I understand that the Ministry of Defence wishes not to renew the leases on the vessels to the cadets but to sell them to the cadets. I urge my hon. Friend to use his good offices to ensure that any sale price is a token one, bearing in mind the invaluable benefit that countless youngsters have received from the opportunity of spending time on the vessels, which would otherwise have to be towed away because they are totally redundant. They are looked after proudly by the naval cadets. I hope that my hon. Friend will use his good offices to ensure that they remain in the stewardship of the cadets.

Mr. Henderson: I am grateful to my hon. Friend for that question. I assure him that the Government greatly value the contribution of those vessels in encouraging cadet units around the country, including his constituency. I am reviewing whether it is possible to continue the existing arrangements or whether we should try to sell them to the cadet forces. I am taking into account all factors, including health and safety, and practicability.

Mr. David Heath (Somerton and Frome): Will the Minister look at links with the Territorial Army in areas where the TA unit is the only Army presence in a county, as in the case of the Somerset and Cornwall Light Infantry? Will he also look at the increasingly irrelevant and outdated distinction between local cadet forces and the independent schools' combined cadet forces? Do we want such a distinction in the present day armed forces?

Mr. Henderson: I assure the hon. Gentleman that any relocation that takes place because of changes announced in the Territorial Army review will be on the basis that existing cadet units will be placed in accommodation that is at least as good as their present accommodation. That is just as true in the hon. Gentleman's constituency as it is throughout the country.

I want to encourage all cadet units in the three services to maximise their input and to seek to recruit as many young people as they can. That will benefit not only the communities where those young people live but our recruiting plans for the three armed services.

Territorial Army

7. **Mr. Gerald Howarth** (Aldershot): What plans he has for the Territorial Army in the Aldershot constituency. [55884]

The Minister for the Armed Forces (Mr. Doug Henderson): A statement on the future of the Territorial Army will be made once Ministers have had a chance to consider the matters that have already been discussed by officials, including those matters that concern the hon. Gentleman's constituency.

Mr. Howarth: We have been assured for the past two weeks that the Government will make a statement. This is a matter of great concern not only in my constituency but throughout the country. Is the Minister aware that his lack of decision making on this matter is deeply unsettling to Territorial Army units? I hope that the Minister can give me an answer before I go on an exercise with the 10th (Volunteer) Battalion the Parachute Regiment in two weeks' time.

Mr. Henderson: The hon. Gentleman might like the Government to rush into a decision, but territorials throughout the country, especially in his constituency, would not want us to do so. Extensive consultations have taken place with units throughout the country, including in the hon. Gentleman's constituency. The general guidelines, which were well debated in the House two weeks ago during the strategic defence review debate, were made clear to TA units and other interested parties locally, and the prime motives of the review were emphasised. How the objectives will be implemented locally has been the subject of consultation, and we shall make a statement to the House once the matter has been assessed.

Mr. Menzies Campbell (North-East Fife): Although I accept the Government's good faith, does the Minister not realise that uncertainty over the proposals is damaging to morale and that some units are experiencing a haemorrhage of both officers and men? Why do the Government not open the books, publish the detailed proposals, declare a six-month moratorium and allow us to have a properly informed debate about the future of the TA?

Mr. Henderson: I know that the hon. and learned Gentleman raises that question with the best of motives, but the consultation process has been widely received throughout the country and suggestions have been made on how the changes can be implemented. That is the proper way to proceed. A statement will be made once we have assessed what the consultation has thrown up.

Mr. John Maples (Stratford-on-Avon): The Minister complacently accuses us of trying to rush him into a decision. No decision can have hung around for longer than this one. He seems to be totally unaware of the delay's dreadful effects on motivation in the Territorial Army. Communities are desperately worried about the closure of TA halls. Moreover, the secrecy with which everything is being done has made matters much worse. Will he ensure that definitive announcements are made as soon as possible and that we do not have to wait until a convenient moment when they can be buried in the Government's news management agenda?

Mr. Henderson: Of course the announcements will be made as soon as possible, but, unlike the previous Government, we believe in consulting people about our proposals before making a decision that we announce to the House.

Asbestos (Compensation)

8. **Mr. Andrew Dismore** (Hendon): If he will make a statement on compensation arrangements for service personnel and former service personnel who suffer from asbestos–related conditions contracted before the amendment of the Crown Proceedings Act 1947. [55885]

The Parliamentary Under-Secretary of State for Defence (Mr. John Spellar): Compensation arrangements for service personnel and former service personnel who suffer illness as a consequence of exposure to asbestos are the same as for those killed, those injured or those who develop a disease from any other cause related to their service. The non-retrospective repeal of the Crown Proceedings Act 1947, on 15 May 1987, by the Crown Proceedings (Armed Forces) Act 1987 gave service personnel the right to claim common law compensation from the Ministry of Defence. Compensation arrangements for former service personnel for illness caused before the repeal of the 1947 Act is paid in the form of a war pension and other allowances by the War Pensions Agency of the Department of Social Security. The Government's arrangements for compensating former service personnel are broadly comparable with those for former civilian MOD employees.

Mr. Dismore: Is my hon. Friend aware of the sense of injustice felt by many who are now being diagnosed as suffering from asbestos-related conditions such as mesothelioma, which is invariably fatal and invariably painful, and results in the rapid onset of symptoms leading to death? Does my hon. Friend agree that that sense of injustice is highlighted by the 1987 Act? People who were exposed to asbestos before 1987, but are experiencing symptoms now, may feel somewhat hard done by in comparison with people who have suffered other injuries since 1987.

As my hon. Friend knows, I have campaigned on this issue for some time, along with my hon. Friends the Members for Plymouth, Devonport (Mr. Jamieson) and for Portsmouth, North (Mr. Rapson). Will my hon. Friend try to devise a method of compensating, in particular, those who are suffering from the most disabling asbestos-related conditions?

Mr. Spellar: I recognise the difficulties and distress suffered by those who have contracted this awful disease, but my hon. Friend must accept that there are complicated interlocking relationships between the war pension, the war widow's pension and compensation arrangements—and, indeed, between asbestos-related and other diseases. The Ministry of Defence is considering those matters, but there are no easy answers.

I understand that my hon. Friend discussed the issue with the last Minister for the Armed Forces, and that my hon. Friend the current Minister will meet him soon to try to unravel some of the problems.

Recruitment (Ethnic Minorities)

10. **Dr. Brian Iddon** (Bolton, South-East): What are the latest figures for recruitment to the armed forces from Britain's ethnic minorities. [55887]

The Minister for the Armed Forces (Mr. Doug Henderson): Between 1 April 1998 and 31 August 1998, the latest date for which figures are available, 147 armed forces recruits came from the ethnic minorities, representing 1.7 per cent. of the total intake. The latest figures for MOD civilians show that, between 1 April 1997 and 31 March 1998, 117 recruits identified themselves as being of ethnic minority background, representing 1.4 per cent. of the total intake.

Dr. Iddon: My constituency has an unemployment rate of 7.5 per cent., higher than the Bolton, the north-west or the national average. We also have a large Asian community, but I have yet to meet a member of that community who has joined the armed forces. Has my hon. Friend conducted any detailed and serious research to find out why members of the Asian community are not joining the armed forces? Is the reason cultural, a fear of discrimination, or what?

Mr. Henderson: My hon. Friend is right to raise the importance of armed forces recruitment in areas where there is high unemployment among black and Asian people. Both black and Asian people have the opportunity of a first-choice career in the armed forces. A number of studies have been carried out to establish why both black and Asian people are reluctant to join the forces, and those studies are continuing. We have tried to make changes where possible, and to convey to members of the black and Asian communities that they can have a good career and a good education. We have also given them a guarantee that all possible action will be taken to outlaw discrimination and racism.

Mr. Julian Brazier (Canterbury): Is the Minister aware that the only substantial adult organisation that attracts a large number of people from ethnic minorities into uniform is the Territorial Army? In many territorial units, recruitment from ethnic minorities amounts to 15 or 20 per cent. Indeed, there is an officer from an ethnic minority in the 5th Battalion of my local regiment, the Princess of Wales Royal Regiment. May I suggest to the Minister that, if he wishes the Army as a whole to be closer to the community, hitting its part-time community element in the way that the Government plan will ruin his best intentions?

Mr. Henderson: The hon. Gentleman is absolutely right. The Territorial Army makes a valuable contribution in attracting both black and Asian people into the armed forces at all ranks. It is a factor that I have taken into account in the review and an important factor in the footprint. I think that, when the decision is announced to the House in due course, the hon. Gentleman will find that it has been a main determining factor.

Demining

11. **Mr. John Smith** (Vale of Glamorgan): What steps his Department is taking to encourage humanitarian demining. [55888]

The Secretary of State for Defence (Mr. George Robertson): Following my announcement a year ago, good progress has been made in increasing the assistance that the Ministry of Defence provides to humanitarian demining, notably through the establishment of a mine information and training centre at Minley and through the gifting of surplus military equipment to the Halo trust. To maintain the momentum, my Department recently organised a seminar to consider what more the armed forces might contribute.

Mr. Smith: I am grateful to my right hon. Friend for that reply. What help is he giving to support United Nations initiatives in this sector? Does he think that there is any scope for developing new demining technologies through the Defence Evaluation and Research Agency?

Mr. Robertson: My hon. Friend is right to highlight the UN's role in demining. Demining those parts of the world that have become contaminated by these weapons is a serious issue, into which the UN is putting all its efforts. To help it, a senior officer has been loaned by the MOD to the UN to provide specialist demining expertise to its humanitarian mine action programmes. We hope that that will have a major effect on what the UN can do.

My hon. Friend is also right to point to the way in which technology might be able to deal with some of the problems. DERA has already produced an effective and cheap system to destroy mines without having to use high explosives. The device is called FireAnt and it is hoped to produce it commercially in the near future. I believe that that will make a serious contribution to alleviating one of the most serious legacies of wars.

Mr. John Bercow (Buckingham): Will the unarmed military observers in Kosovo oversee humanitarian demining operations? If so, are contingency plans in place for their withdrawal in the event of attack? Will the implementation of such plans require a resolution of the UN?

Mr. Robertson: The verification mission that will go to Kosovo will have no role whatever in supervising or getting involved in humanitarian demining. It will, of course, face a hazard that was put in place by the Belgrade authorities in certain locations in Kosovo: they have put mines there. The verification mission will obviously take judicious care.

Mr. Martin Bell (Tatton): Does the Secretary of State agree that the time has come when the ingenuity that has gone into making land mines can apply to their demining? Does he envisage a further special role for the expertise of the Royal Engineers?

Mr. Robertson: The hon. Gentleman of course has substantial military experience, which brings authority to his remarks on these matters. I have taken the strong view that military expertise in this sector is unequalled and that, if it can be shared in the humanitarian sector, it will do a lot of good in dealing with a problem that mankind increasingly faces. The Royal Engineers have expertise in this sector, which we have already used, but I am ensuring through the mine information and training centre at Minley that we bring together all the components in the British Army to ensure that they contribute. I have found no greater enthusiasm than among the military for dealing with this, the legacy of wars.

Territorial Army

12. **Mr. Richard Page** (South-West Hertfordshire): If the final reduced Territorial Army establishment will include civilian support staff and non–regular permanent staff. [55889]

The Minister for the Armed Forces (Mr. Doug Henderson): Following the current restructuring exercise, the Territorial Army establishment will be reduced to approximately 40,000. Civilian support staff and non-regular permanent staff will not be included in that figure and their establishments will be considered separately.

Mr. Page: I thank the Minister for that answer. It is, of course, very sad that the TA is to suffer such a savage attack. As the Chancellor of the Exchequer is back in the borrowing business and as it seems apparent that, if rumours are to be believed, TA units covering the 7th (Volunteer) Battalion the Royal Anglian Regiment in Hertfordshire—at Hertford, Dunstable and Hemel Hempstead—are to be closed, affecting civilian staff as well, will the Minister approach the Chancellor and ask for a little of that borrowing to maintain a TA presence of some sort in Hertfordshire? A county of that size should have a TA presence.

Mr. Henderson: As I have already said to hon. Members today, we shall be looking at the footprint of the Territorial Army throughout the country, and will consider the hon. Gentleman's points in relation to his area. I cannot say any more than that; he will have to wait until the statement is made. However, I assure him that consideration will be given to the question of civilians and non-regular permanent staff, as I acknowledge that they do important subsidiary and support jobs for the Territorial Army.

Millennium Compliance

14. **Mr. David Atkinson** (Bournemouth, East): If he will make a statement on the progress on the millennium readiness of computer systems relating to the defence and security of the United Kingdom and its allies. [55891]

The Secretary of State for Defence (Mr. George Robertson): The Ministry of Defence has a comprehensive programme for addressing the impact on defence capability posed by the potential failure of computer systems over the millennium period and beyond. That includes both rectifying MOD systems and developing contingency plans where necessary.

Substantial progress has been made on fixing MOD systems. About 35 per cent. of those systems that require rectification have already been corrected and we expect 80 per cent. to be fixed by autumn 1999. In addition, we are working closely with our allies to raise international awareness of the issue.

Mr. Atkinson: In the light of that comprehensive reply, will the right hon. Gentleman assure the House that

Britain and its NATO and Western European Union allies will not be rendered defenceless by the millennium bug, as was originally feared a couple of years ago? Can he guarantee that the millennium bug will cause no problems for defence-related information technologies? If he cannot give that guarantee, will he ensure that contingency plans are put into place, and that they are thoroughly tested in time for the millennium?

Mr. Robertson: Few Departments are more aware than the MOD of the dangers and problems that might arise with the millennium. Indeed, few countries in Europe have, so far, done as much as Britain to deal with the problems. My Department is spending £200 million addressing the problems for technology that could arise over the year 2000.

I can give the hon. Gentleman the assurances for which he asked, as we are taking the matter extremely seriously. My right hon. and noble Friend the Minister for Defence Procurement has a specific and long-running interest in the issue and I have made sure that the problem of the year 2000 is on the agenda for every Defence Council meeting.

Gulf War Syndrome

15. **Dr. Ian Gibson** (Norwich, North): What assessment he has made of recent evidence relating to Gulf war syndrome. [55892]

The Minister for the Armed Forces (Mr. Doug Henderson): We continue to keep new information about Gulf veterans' illnesses under review. It is encouraging that recently published scientific research is making progress on this subject and I look forward to seeing the first results from the epidemiological studies of UK Gulf veterans at around the turn of the year.

Dr. Gibson: Is not the evidence a long time coming? We have been raising the issue in the House for more than a year. Does not the evidence point towards one common biochemical activation of molecules, which is induced by different chemicals either singly or together? Might that not have different clinical outcomes in individuals? Has not the time come to pay up and to prevent other people from being subjected to those dangerous chemicals?

Mr. Henderson: I thank my hon. Friend for that question, which deals with an important issue. We owe a heavy debt to those who served in the Gulf on our behalf. There are a number of interesting developments in research and I anticipate that three pieces of British research will be published in the coming months. There are also interesting pieces of research in the United States, in particular from the Centre for Disease Control and Prevention, in Atlanta, which continues to cover new ground. It believes that it is close to defining what sort of illnesses are being suffered by those who served in the Gulf. I look forward to being able to assess the various pieces of research when they are available to me, around the turn of the year. It is essential that, where there is illness, we try to identify the causes and how to remove them, as well as dealing with other important questions.

Defence Establishments (Shoeburyness)

16. **Sir Teddy Taylor** (Rochford and Southend, East): If he will make a statement on the future of the defence establishments at Shoeburyness. [55893]

The Parliamentary Under-Secretary of State for Defence (Mr. John Spellar): The Horseshoe barracks, old ranges and Gunners park at Shoeburyness have been declared surplus to Ministry of Defence requirements and are being prepared for disposal. A draft planning brief has been agreed with the borough council and has been issued for public consultation. The MOD still has a requirement for the new ranges at Shoeburyness, and the Defence Evaluation and Research Agency is seeking to enter into partnership with industry to operate those facilities. It is hoped that such a partnership will create new employment opportunities at Shoeburyness through increased exploitation of the site for non-defence purposes.

Sir Teddy Taylor: As DERA's rather surprising decision—supported by the Government—to change its policy on the new ranges will lead to an unemployment increase in an area that already has a high unemployment rate, will the Minister assure the House that the Department will work closely with Southend borough council to ensure that the land that becomes available will be used for attracting useful job opportunities to the area?

Mr. Spellar: I can certainly give the hon. Gentleman that assurance. The borough council is keen to obtain local views on the matter and will review the draft planning brief in the light of any comments received. We are working in co-operation with the council, and will be working closely with it precisely because we want the site to be returned to useful economic use and to offer employment possibilities.

Royal Hospital, Haslar

18. **Mr. Peter Viggers** (Gosport): If he will make a statement on the future of the Royal hospital, Haslar. [55895]

The Minister for the Armed Forces (Mr. Doug Henderson): The future of the Royal hospital, Haslar is still under review. We shall make an announcement when final decisions have been made.

Mr. Viggers: Is the Minister aware that it is not only my constituents who are aghast at the threat hanging over Haslar? Many hon. Members from both sides of the House, members and former members of the Defence Committee and service personnel are horrified that the Government cannot confirm that Haslar's role will be continued. Does he realise that we must have a centre of excellence in the defence medical services, and that even Government publications have said that uncertainty would be the worst of all options? Will he confirm Haslar's role soon?

Mr. Henderson: I hope to be able to confirm Haslar's role soon. However, as the hon. Gentleman is aware from our previous correspondence, a major gap in medical provision in the armed forces was identified during the previous Government's period in office. We have been

trying to put that gap right, so that we can guarantee that we have the back-up support necessary when our forces go into battle. We have to have the right number of consultants, nurses and ancillary staff based in centres of excellence—to which staff are attracted, and at which they receive the right training and provide essential services. I have an implementation team examining the matter, on which I hope to be able to make an announcement soon.

Laura Moffatt (Crawley): Is it not important that we get the issue absolutely right? The defence medical services suffered an enormous blow under the previous Government. Although there are great difficulties at Haslar, and there will be much discomfort until the issue is settled, is it not crucial that, this time, we get it right?

Mr. Henderson: I agree with my hon. Friend, who clearly makes her point that the problem has existed for a long time. I am not saying that the previous Government did not attempt to address the issue. However, they were unsuccessful in making long-lasting proposals to meet the well-identified shortcomings. It is crucial that, this time, we get it right, which is why I have asked an implementation team to examine the options.

Mr. Edward Garnier (Harborough): As other hon. Members have said, the problem with the Royal hospital, Haslar exemplifies the difficulties generally with the defence medical services, and specifically with Territorial and reserve medical forces. What will the Government do about preserving the strength of the Territorial defence medical services?

Mr. Henderson: Again, the hon. and learned Gentleman raises an important issue. Shortcomings in our medical provision were identified under the previous Government, one of the main areas being the Territorial Army. By any estimate, the TA is thousands short in the necessary provision. One of the central features and guiding principles of our review of the TA is that we should try to put that right. The hon. and learned Gentleman makes a key point, and he will find that, when a statement is made to the House, it will have been well taken into account in our proposals.

United Nations (Peace Support Operations)

19. **Mr. Barry Jones** (Alyn and Deeside): What steps the Government are taking to improve the United Kingdom's ability to contribute to the United Nations peace support operations in the future. [55897]

The Secretary of State for Defence (Mr. George Robertson): I announced, as part of the strategic defence review, our intention to sign an agreement with the UN that will boost our military support for its operations in future. The new memorandum of understanding, which will be signed by March next year, will revise and update our existing declaration under the UN standby forces arrangements. It will include those capabilities that we have strengthened as a result of the SDR and that are most relevant to UN needs: more and better-equipped rapid reaction forces, additional strategic lift and improved logistics support.

Mr. Jones: In thanking my right hon. Friend for his comprehensive reply, may I acknowledge the distinguished contribution that he and his Department make in support of the UN in that important sphere? In his efforts to have even better military support, has it crossed his mind that he would have a better force at his disposal if he had some 40 to 50 of the Airbus future large aircraft at his command? May I urge him to consider that and tell him that, if he did, my constituents would help build that aircraft?

Mr. Robertson: As ever, I admire my hon. Friend's ingenious way of promoting the interests of his constituents, which he always does with enthusiasm, dedication and complete justification. As it strengthens the future additional strategic lift capability of the Royal Air Force, the future large aircraft project is very much in our sights for long-term supply. It will become increasingly important in terms of our commitment to the UN, because it is clear that, yet again, Saddam Hussein is intent on engineering another confrontation with the UN. Force was an option in February this year and brought a climb-down by Saddam. Force must again be an option on this occasion because, regrettably, it seems to be the only thing that Saddam understands. He still represents a threat, not only to his neighbours and to the region but to international stability. The international community must stand united and firm in making sure that he complies with yesterday's unanimous view of the UN Security Council.

Miss Anne McIntosh (Vale of York): Will the right hon. Gentleman join me in recognising the role played by the Territorial Army and other reserve forces in peacekeeping operations in, for example, Bosnia, and in congratulating them on that role? Will he confirm that, with the cuts envisaged in the SDR, this country will be able to meet its commitments in respect of the TA and other reserves in future operations?

Mr. Robertson: I believe that we shall be able to meet those commitments much more efficiently. I visited our troops, including the TA reserves, in theatre in Bosnia last week. I was enormously impressed by their bravery, skill and dedication in rebuilding that country. The whole purpose of the restructuring and updating of the TA is to make sure that the TA can play an even bigger and better part in the sort of operation that it has carried out so well in Bosnia.

Archer Communications Project

20. **Mr. Mike Gapes** (Ilford, South): If he will make a statement on the future of the Archer project. [55898]

The Parliamentary Under-Secretary of State for Defence (Mr. John Spellar): I am pleased to announce that we have now signed a contract worth £185 million with the Bowman prime contractor, Archer Communications Systems Ltd., for the next stage of the Bowman programme. This will cover further risk reduction work, the completion of system definition, initial system integration and initial conversion planning. Subject to satisfactory progress by Archer, it is intended to place a production contract in late 1999. This marks a major commitment by the Ministry of Defence to Archer and to the delivery of the Bowman system.

Mr. Gapes: I thank my hon. Friend for that reply. Will he consider the remarks that I made in the debate on the

strategic defence review last week about the award of the local area sub-system contract to Thomson rather than to British Aerospace? That has caused some unhappiness in my constituency, where we have excellent facilities and where people are willing to play a full part in the future of the Archer programme as it develops. I hope that the Government will support the future development of the facility in Ilford.

Mr. Spellar: I congratulate my hon. Friend on his assiduous lobbying on behalf of the plant in Ilford and his constituents. British Aerospace and Racal are not only the prime contractors, but were involved in the local area sub-system competition. Therefore, it is fair to say that they would have made a proper evaluation on technical grounds and in terms of value for money. The excellent manufacturing facility in my hon. Friend's constituency is well recognised not only by us, but by the manufacturers.

PRESIDENT OF THE COUNCIL

The President of the Council was asked—

Recess Dates

32. **Mr. Mike Gapes** (Ilford, South): What plans she has to ensure that recesses in the autumn and spring coincide with school half-term holidays. [55913]

The President of the Council and Leader of the House of Commons (Mrs. Margaret Beckett): The Government proposed to the Modernisation Committee that we should attempt to arrange business to allow constituency weeks to coincide with school half-term in February and October.

Mr. Gapes: I thank my right hon. Friend for that reply. Did she see the large number of children, including my own, who were in the House for part of last week because the House came back on 19 October and half-term was the week after? I am sure that many right hon. and hon. Members on both sides of the House would be grateful for better long-term arrangements that might allow us to spend time with our children instead of parading them around the Tea Room and other places in the building.

Mrs. Beckett: I am grateful to my hon. Friend for making it clear in the latter part of his remarks that he did not consider that a good idea, as I was not quite sure at the beginning. We are taking all issues into account and certainly will bear in mind concerns such as those he expressed. However, he will recognise that, although the Government have made a proposal to the Modernisation Committee, as yet, the Committee has neither agreed nor reported the matter to the House.

Sir Patrick Cormack (South Staffordshire): I sympathise with the right hon. Lady's general point of view, but is not the most important thing about the parliamentary programme that it should give right hon. and hon. Members a proper opportunity to hold the Executive to account and to scrutinise the business placed before the House? Although we would welcome a more structured parliamentary year, we would not agree to anything that inhibited the rights of hon. Members on either of those fronts.

Mrs. Beckett: I agree entirely with the hon. Gentleman that it is the purpose of the House to hold the Government to account and scrutinise parliamentary business properly. It is an error that some of the suggestions that have been made for improving the way in which we handle business in the House are sometimes described in other terms. The underlying motive of those who seek, in some cases to preserve and in other cases to change and modernise our procedures, is to preserve scrutiny. Some might argue that, much as they enjoy spending time with their children, attempting to do so and at the same time to hold the Government to account may not be easy.

National Parliament Office, Brussels

33. **Miss Anne McIntosh** (Vale of York): What plans there are to implement the recommendation of the Select Committee on the Modernisation of the House of Commons to establish a National Parliament Office in Brussels. [55916]

Mrs. Beckett: The hon. Lady rightly draws attention to the recommendation of the Modernisation Committee. I understand that some work is being done by the House authorities on the implications and the practical problems associated with it, which no doubt will be reported to the House in due course.

Miss McIntosh: I am grateful to the right hon. Lady for that answer. Given the greater powers afforded the European Parliament by the Amsterdam treaty and the desire of the House—and, I believe, the Government—for greater co-operation, mutual understanding and partnership between the House and the European Parliament, does the right hon. Lady agree that such an office should be set up as a matter of urgency to train our very able officers in the House to prepare for when the Amsterdam treaty comes into force?

Mrs. Beckett: It is important that we should do everything that we can to improve the liaison between the European Parliament and this Parliament. In particular, we should use whatever channels we can to get advance information for hon. Members so that we can be well aware of what is being proposed, the full implications for the House and how we should respond. The proposed National Parliament Office would be one means to achieve that, but it is not the only proposal.

Summer Recess

34. **Mr. Chris Mullin** (Sunderland, South): What plans she has for reviewing the length of the summer recess; and if she will make a statement. [55917]

Mrs. Beckett: The length of the summer recess is one of the issues that the Modernisation Committee can consider in its inquiry into the parliamentary calendar. As the House knows, the length of the summer recess is affected by several external factors and I do not envisage any change in the immediate future.

Mr. Mullin: Does my right hon. Friend agree that it is not healthy in a democracy for the Government to enjoy a holiday from scrutiny that amounts to the best part of three months every summer? A possible solution, which may also meet the concerns of those who want us not to sit during half terms, would be for us to sit for a couple of weeks in early September and then not sit during half terms.

Mrs. Beckett: I am aware of my hon. Friend's views. I understand his anxiety to ensure that the House properly holds the Executive to account. However, as anyone who has ever considered changing such arrangements has discovered, there are eminently sound and practical reasons for the shape of the parliamentary term as it has emerged. Changes frequently cause substantial inconvenience not only to Members of Parliament and their ability to hold the Executive to account, but to other organisations, such as political parties that hold party conferences.

Prime Minister's Questions

35. **Mr. David Amess** (Southend, West): What recent representations she has received on the arrangements for Prime Minister's questions. [55918]

Mrs. Beckett: I have received occasional letters about the content of Prime Minister's questions, but no recent proposals to alter the arrangements.

Mr. Amess: Now that we have 18 months' experience of the new-style Prime Minister's Question Time, will the right hon. Lady consider reverting to the original arrangements? Is she aware that many hon. Members feel that the weekly visitation means that the Executive are no longer being properly scrutinised? There is also some frustration that, although the Opposition keep asking questions, they receive no answers.

Mrs. Beckett: I am afraid that those who believe that a return to the previous system would be better are allowing their prejudices to triumph over an examination of the facts. Since my right hon. Friend the Prime Minister got rid of the preamble, there is far more—probably almost twice as much—substance in the answers than there was before. My right hon. Friend has missed only one Prime Minister's Question Time since May 1997—when the Belfast agreement was being negotiated. He has also made more statements to the House than his predecessor over a comparable period. Those who are insinuating that the Prime Minister comes to the House less often or is less accountable have not studied the facts.

Mr. Gerald Bermingham (St. Helens, South): Perhaps my right hon. Friend will consider the number of questions asked by the Leader of the Opposition. His six in succession tend to be repetitive and miss the point. If we want a sharp, clear exchange of views, perhaps short, sharp questions, limited in number, are the solution.

Mrs. Beckett: I certainly would not venture to give advice to the Leader of the Opposition on how he should conduct himself. I know from experience that that post requires considerable skill.

Standing Committee for the English Regions

37. **Mr. Austin Mitchell** (Great Grimsby): What plans she has to set up a Standing Committee for the English regions. [55920]

Mrs. Beckett: The Standing Orders already provide for a Standing Committee on Regional Affairs, although it has not met for many years. I am considering whether the Committee might serve a useful purpose in future and how it might be convened.

Mr. Mitchell: I am delighted to hear that. With the establishment of regional development agencies and the possibility of regional devolution, we are clearly moving in a regional direction. It would be useful if each English region—particularly Yorkshire and Humberside, which is the best of them and has a population equal to that of Scotland and problems that are, in many respects, more severe than those of Scotland—should have its own Committee to study its problems.

Mrs. Beckett: I am well aware of the strong regional loyalties in the House. As I say, I am considering whether changes can be made to improve the scrutiny of business. As we all agree, that is what we are here for.

Mr. Michael Fabricant (Lichfield): If such a Standing Committee were established, would its locus be to find out how regional governments can possibly be paid for without demanding extra from the taxpayer, as has been claimed? Does the right hon. Lady agree that people do not want regional governments in England? Would that not cost the taxpayer money? Is it not another example of jobs for the boys?

Mrs. Beckett: As no one has the smallest intention of forcing regional government on anybody, the hon. Gentleman's remarks are interesting but not precisely relevant.

Modernisation

38. **Gillian Merron** (Lincoln): If she will make a statement about progress in modernising the work of the House. [55921]

Mrs. Beckett: Better information for Members of Parliament is being provided through improving the content of the Order Paper, normally giving advance notice of business two weeks ahead, and publishing, from the start of next Session, the new-style explanatory notes

for Bills. On Wednesday, the Social Security Committee reported on pre-legislative scrutiny of the first Bill published in draft, on pension sharing on divorce. The House has approved a report on conduct in the Chamber, to dispense with some of our outdated practices. The parliamentary calendar is being considered by the Modernisation Committee. The report on improving European Union scrutiny procedures will be debated soon.

Gillian Merron: I thank my right hon. Friend for her answer. Given the Government's commitment to family-friendly policies, will she give the House some idea of development in that area, other than the very welcome reference to half-term holidays?

Mrs. Beckett: The balance that the House is striving to achieve between better and more productive scrutiny of Parliament's business while wishing, of course, to do as we encourage others to do and to promote family-friendly policies, is one with which the Modernisation Committee is, struggling almost even as we speak.

International Financial System

3.31 pm

The Chancellor of the Exchequer (Mr. Gordon Brown): With permission, I should like to report to the House at the earliest available opportunity the terms of a new agreement reached on Friday by Finance Ministers and central bank governors of the Group of Seven countries to reform and strengthen the international financial system. A full copy of that and a statement by the Heads of Government, setting out the agenda for further action, is available in the Vote Office.

Tomorrow, I shall present to the House the pre-Budget report, with its detail on the domestic economy. However, the financial crisis that swept Asia last year and reverberated around the world has revealed long-standing weaknesses in the international financial system, which G7 Ministers agree must be addressed as a matter of urgency.

Our predecessors had to meet the challenge of ensuring economic stability in an era of national economies. Our generation must meet the challenges of ensuring stability in the era of a global economy, in which each economy can directly affect the prospects of every other. The new way forward is sensible global financial regulation, credible crisis prevention, orderly mechanisms for crisis resolution and a sure foundation in minimum standards and best practices that all countries adopt to participate in the international financial system.

That is directly relevant to the United Kingdom economy. It is everybody's business, not only because we are dependent on trade in goods and services with other countries—the Asian crisis, for example, cut in one single year UK exports to Indonesia, Malaysia, South Korea, Thailand and the Philippines by more than 50 per cent.—but because, in countries such as ours, as we have seen, a weak financial system or inappropriate economic policies in one country put at risk another country's financial system and threaten people's savings or investments, and eventually, their companies or jobs. That is why it is in everyone's interest to support a new mechanism for crisis prevention and resolution, a new transparency in the global financial order and a new process of financial regulation.

The G7 Ministers' statement reaffirms that the balance of risks in the world economy has shifted from concerns about inflation to concerns about growth. In the last month, interest rate policy has been adjusted in Japan, the United States, Canada, the United Kingdom, Spain, Portugal, Ireland, Denmark, Italy and again in the United States. The G7 statement issued on Friday reaffirms our commitment to create or sustain the conditions for strong domestic-demand-led growth and financial stability in each of our economies. The authorities will continue to be vigilant in the light of the shift in the balance of risks on a global basis.

In our statement, each continent has agreed to make a contribution to creating the conditions for stability and growth—Japan with banking reform, Europe with structural reforms to tackle unemployment, and America by promoting growth with low inflation. In the case of Latin America, we welcome the policy commitments that the Brazilian Government have made, and we will work with the international community to support them. All of us must act to avoid a retreat into protectionism.

As well as measures to deal with short-term instabilities, we need action to reform the financial architecture. For 50 years, our policies for regulation, supervision, transparency and stability have been devised and developed for a world of relatively sheltered national economies with limited capital markets. Now that markets transcend national boundaries, we must create for global markets systems for supervision, transparency, regulation and stability that are as sophisticated as the markets with which they have to cope.

G7 Governments have therefore concluded that the international architecture devised in the 1940s for the economies of the 1940s is no longer adequate for the challenges of the 1990s, and that we need new rules for the global financial system. In the statement, each G7 country has now agreed to adopt and apply codes of conduct founded on minimum standards and best practice. These are new disciplines and undertakings that each country is prepared to accept as a condition of its participation in the international system.

In monetary and financial policy, we are agreed on the need for greater openness, and that each country should specify its objectives for monetary policy. We are agreed that each country should identify responsibility for achieving those objectives, and for reporting and explaining monetary and financial policy decisions. We are agreed that these standards should be set down in an internationally agreed code of conduct that all countries are prepared to accept.

We have committed ourselves to complying with the code of conduct of good practice on fiscal transparency that has been drawn up by the International Monetary Fund. Similar standards of transparency are required in the private sector. By spring next year, the Organisation for Economic Co-operation and Development will complete work on a code of principles on sound corporate governance and structure. By early 1999, we will also have in place a plan for internationally agreed accounting standards.

Those codes of conduct in monetary policy, fiscal policy and corporate governance will mean radical changes in the way in which financial markets function. They will help to produce an environment in which financial markets can operate better. They should reduce the risk of future failures and mean that, when failures do occur, the financial system is robust enough to withstand them. By improving public understanding of why and how decisions are made—and by making sure that the right long-term policies are in place—the codes will help to build public understanding and support for the policies that are necessary to deliver economic growth and prosperity.

Proper implementation of the codes of conduct should be a condition of IMF and World bank support. Immediate action to promote transparency in these areas should be key components in any reform programme which the IMF and World bank agree in coming months. The IMF and the World bank must themselves be more open and accountable, with a presumption in favour of releasing information and external audit of their performance.

We have agreed that there should be new undertakings on social policy, too. The G7 statement underlines the importance of policies that protect the most vulnerable—the real victims of financial crises, whose pain is very real

[Mr. Gordon Brown]

indeed. That is why the G7 Governments have agreed that there should be general principles for good practice in social policy. These should serve as a guide to best practice by individual countries, and there must be, as a matter of immediacy, a new World bank emergency facility to provide additional funding on special terms to the most vulnerable groups in society.

On global financial regulation, the G7 Governments have now agreed to support the establishment of a process for strengthened financial sector surveillance, using national and international regulatory and supervisory expertise. That will be used in the IMF's regular surveillance of individual member countries.

We will bring together the key international institutions and those national regulatory authorities that are involved in financial sector stability to co-operate and co-ordinate their activities in the management and development of policies to foster stability and reduce systemic risk. They will be able to exchange information more systematically on risk in the international financial system.

Dr. Tietmeyer, the president of the Bundesbank, has agreed to consult the relevant international bodies on the reforms. I want an international memorandum of understanding to establish a proper division of responsibility between regulators and international authorities.

In the G7 statement, we also commit ourselves to strengthening the regulatory focus on risk management systems and prudential standards in financial sector institutions, and, in particular, to examining the implications of the operations of leveraged international financial organisations, including hedge funds.

A fundamental problem has been a lack of transparency and poor standards of disclosure by some financial market participants. The Basle committee on banking standards will look at that important issue when it considers an international standard of best practice for transparency and disclosure. An agreed international standard of best practice would act as a benchmark both for financial institutions and for their regulators.

The United Kingdom is clear that financial institutions that deal with hedge funds must take into account all proper prudential standards and requirements of disclosure—proper due diligence procedures are essential. We also believe that, as part of the review of capital adequacy rules, the Basle committee needs to examine the appropriate treatment of banks' exposures to hedge funds to ensure proper recognition of the risks.

As Howard Davies, the chairman of the Financial Services Authority, has emphasised, managements of financial institutions have a responsibility to ensure that circumstances never arise in which personal relationships with potential counterparts could get in the way of appropriate due diligence. He said that there must be complete transparency in senior management's personal investments in counterpart firms to avoid any suspicion of conflicts of interest. I fully endorse those remarks.

In their statement, the G7 Heads of Government said that they would examine not only the operation of highly leveraged operations of offshore institutions but how they can encourage offshore centres to comply with internationally agreed standards. That is of particular importance for the United Kingdom, because Long-Term Capital Management was registered in the Cayman Islands.

The Government are committed to improving standards of regulation and regulatory co-operation in our overseas territories and to implementing the European, G7 and other OECD initiatives to tackle unfair tax competition. We will not allow high-risk hedge fund speculation by a few to translate into wider risks for the many, and destabilise the financial system on which we all depend for prosperity.

Through international examination of transparency in hedge funds, proper due diligence procedures, potential conflicts of interest and dissemination of standards to offshore centres, Governments can play their part in minimising the implications of future sudden and systemic disturbances.

G7 Ministers are agreed on the need for a new procedure for crisis prevention and tackling contagion. The central element is an enhanced IMF reserve facility, which would provide a contingent short-term line of credit for countries pursuing strong IMF-approved policies. That facility could be drawn on in times of need, and would entail appropriate interest rates along with shorter maturities. It could be complemented, in individual cases, by bilateral contingent financing, and it would be accompanied by appropriate private sector involvement.

The G7 countries have also agreed on the need for a better long-term mechanism for international authorities to work with the private sector and national authorities in handling debt rescheduling at times of potential crisis. We are asking the private sector to adopt collective action clauses to facilitate more orderly work-out arrangements, and we will consider the use of such clauses in our own sovereign and quasi-sovereign bond issues.

We are asking the World bank, in co-operation with the IMF, to work to put in place effective insolvency and debtor-creditor regimes and, we are asking the IMF to consider lending into arrears, under carefully designed conditions and on a case-by-case basis. We want the private sector to build on its experience with some emerging market countries in developing new, market-based contingent financing mechanisms. We will now support the more active use of loan guarantees to encourage greater private-sector involvement in emerging market financing.

Following the welcome United States Congress decision, we call for the IMF quota increase and the new arrangements to borrow to be implemented as soon as possible. Together, they will provide additional IMF resources of $90 billion to ensure the stability of the international financial system.

Globalisation has happened. We must now make it work in hard times as well as good. As we have shown, we need not new institutions, but new rules and disciplines. I want to thank other G7 Ministers and central bank governors, and Heads of Government who have backed this work all along, for working through this new agreement.

Taken together, the reforms that we have agreed—global financial regulation, new codes of conduct for transparency and mechanisms for crisis prevention and crisis resolution, backed up by the resources that those need—represent the first steps and now set the agenda for what will become the most radical restructuring of the

international financial architecture since its creation in the 1940s, making us better equipped to tackle the challenges of the 1990s and the century ahead. I commend this detailed statement to the House.

Mr. Francis Maude (Horsham): That statement was less about the global financial architecture than about distracting attention from Britain's looming downturn and the Chancellor's four basic blunders, which created it. Not once did he admit that there is a problem, and not once did he admit his responsibility for it. The House will have thought it surprising that, although the Chancellor announced this morning to the Confederation of British Industry a date for proposed British membership of the euro and the establishment of a parliamentary body to prepare for it, he has not found time to announce it to the House.

In view of the concern that the Chancellor expressed in the agreement about the performance of domestic financial regulators, will he give an absolutely clear undertaking that the financial services Bill that would create Britain's financial regulator will be in the Queen's Speech, or confirm that the legislation is in such a mess that he is not in a position to include it?

How does the Chancellor square the greater openness and disclosure about which we have heard much—including the repeated use of the word "transparency", in the belief that constant repetition makes it true—with the impenetrable thicket of changed definitions and fiddled statistics with which he has surrounded our public finances? The central point that the Chancellor failed to address was that the IMF was set up to encourage national Governments to pursue sensible economic policies. His predecessors in the previous Labour Government know that only too well.

Today's economic downturn in different parts of the world is primarily due to different domestic policy blunders in each country. Will the right hon. Gentleman tell the House how British businesses are supposed to cope with £40 billion of extra taxation and regulation? Is he merely going to say that they all have to sharpen up their act, while he lectures the world about their deficiencies?

Gavyn Davies of Goldman Sachs has said:

"the UK is teetering on the brink of recession".

Will the Chancellor tell the House what he is doing to avoid such a recession? Has he not read the surveys that put Britain at the bottom of the European growth league for next year? Is he aware that the poll of forecasts published by *The Economist* shows British growth of less than 1 per cent. next year, while even Australia, which is heavily dependent on Asia for its trade and prosperity, is set to grow by 2.2 per cent?

When will the Chancellor stop lecturing others, and tell us what he intends to do here in Britain to prevent our sliding into a recession that will have been made in Downing street?

Mr. Brown: I knew that the Conservative party wants to opt out of Europe; it now seems to want to opt out of the whole world. When we have an agreement that has been signed by Governments of right and left throughout the world; when the central banks in America, Europe and Japan recognise the need for action; when growth in world trade is set to fall by two thirds this year, from 11 per cent. last year to the 4 per cent. forecast for this year; and when 25 per cent. of the world is in recession, it ill befits the Conservative party to fail to examine the need for fundamental reforms in the international financial system.

We supported the previous Government when they considered heavily indebted poor countries and international debt and when they went to Lyons to sign an agreement tackling unemployment. I believe that, on reflection, Conservative Members will think that all-party support for an agreement signed by everyone from Alan Greenspan and President Chirac to the Prime Minister of Japan and the new President of Germany would be a more sensible approach.

Let me deal with the right hon. Gentleman's individual points, such as they were. He says that constant repetition of "transparency" will bring no answers in itself. That is precisely why all countries have now agreed to follow a code of transparency. It would have been far better if the previous Conservative Government had taken the action that might have avoided some of the crises in the first place.

Yes, it is true that the International Monetary Fund was set up primarily to deal with balance of payments crises affecting individual national Governments, because of the risk that they would spill over into other national economies; but the world has changed since 1945, and we are dealing with global financial markets that need supervision and transparency not only nationally but globally. It is hardly surprising that central bank governors and international regulators are prepared, despite the shadow Chancellor's advice, to meet and consider big reforms in the international financial system.

When the shadow Chancellor sees the result of the work being done by the Basle committee, the International Monetary Fund and the World bank to reach agreement on a new mechanism for financial regulation that can spot problems before they arise in individual economies; deal with some of the current gaps in the regulatory system; and spot some of the difficulties that arise from the international operation of hedge funds, he will think twice about pouring cold water on a very sensible idea.

The crisis resolution system—the special facility of the IMF—was an idea originally proposed by America as a temporary facility to deal with crises arising from current events, and the House agreed the funding of the IMF behind it last July, so it ill befits the Conservative party to oppose a measure that is of good use to the international system.

When Japan has to nationalise many of its banks; when the public sector is buying shares in private companies in Hong Kong; and when the United States has had to mount a rescue operation for a hedge fund that was exposed to $1.3 trillion, it ill befits the Conservative party not to take seriously the problems of our international system. I hope that, on reflection, it will think again.

Mr. Robert Sheldon (Ashton-under-Lyne): Is my right hon. Friend aware that his role in getting the G7 to provide the £90 billion has been widely applauded? Will he say something about the problems of contagion of perfectly respectable economies from some of those in crisis, and in particular about some of the hedge funds? We are dealing with very large sums, and at times of

[Mr. Robert Sheldon]

variability in the markets concerned, it is difficult to control them. What plans does he have, or might he think of having, to monitor such funds?

Mr. Brown: I am grateful to my right hon. Friend, and I agree with him that the issues are complex and detailed. The Conservative party should face up to that when it examines the issues.

The crisis prevention facility—the supplemental reserve facility, which has been set up by the IMF—is designed so that countries pursuing sound economic policies are not brought down by international events beyond their control. The emergency facility and the resources behind it should be accompanied by bilateral help from individual countries willing to contribute and a serious contribution from the private sector, which should now play its part—on this as on other issues—in helping to resolve some of the crises that arise from the operation of the financial markets.

On hedge funds, I assure my right hon. Friend that the measures that I have outlined this afternoon—including a code of standards, the examination of dependent territories and rules of capital adequacy—are being pursued urgently. The Financial Services Authority is taking a great interest in the issue, as is the Basle committee, which brings together all the banks, and I am confident that, although it is difficult to deal with the problems caused by the operation of hedge funds, those who invest in them will be prepared to follow codes of conduct requiring higher standards of transparency and disclosure.

Mr. Malcolm Bruce (Gordon): I welcome the Chancellor's statement and his recent work on trying to tackle global market turbulence. Does he agree that we in the United Kingdom have a responsibility to address our domestic problems as part of the solution, including getting down our overvalued pound and exchange rates? He mentioned the monetary and fiscal codes included in the G7 agreement, but will he consider the connection between the two? In his Budget statement, will he undertake to avoid any fiscal easing, to make it possible for the Bank of England to bring down interest rates in accordance with the approach that he advocated on his summer tour of world capitals?

We all wish to see greater stability in the exchange rate. I welcome the Government's proposal for a parliamentary committee to prepare for the single currency, and, whatever difficulties the official Opposition have with the issue, we will be happy to co-operate. However, does the Chancellor accept that serious private sector preparation for the single currency will not happen unless there is evidence of serious public sector commitment to joining it? The two must go together.

The Chancellor pointed out the fall in exports to Asian markets, but does he accept that we trade more with the Netherlands than with the whole of Asia, Russia and South America combined? In those circumstances, he cannot blame our current problems on difficulties in those regions, and he must pursue an action plan at home to bring down our uncompetitive exchange rate and high interest rates.

Mr. Brown: I am grateful to the hon. Gentleman for being more generous than the shadow Chancellor in recognising that international issues must be addressed. The Conservative party seems to want to fail to recognise that. I will address the exchange rate issues again tomorrow, but I remind the hon. Gentleman that the exchange rate is now 10 per cent. below its peak. It was DM3.10 at one point, and is now below DM2.80. The dollar exchange rate has barely changed in the past three years.

It was announced some time ago that the Government were preparing a draft national changeover plan for the single currency. The Conservative party is, of course, free to use one of its Opposition days to debate its new policy on the European Union, and I would enjoy that very much.

Individual national economies have been severely affected by what has happened around the world for two reasons. First, although trade with Asia is smaller than trade with other continents, trade as a whole, which was growing by 11 per cent., is now growing by 4 per cent. Secondly, $3 trillion has been wiped off stock exchanges around the world, which is the equivalent of 10 per cent. of world GDP. That is unlikely not to have an effect on confidence in individual countries and people's ability to make decisions about investment.

I hope that the hon. Gentleman will come to understand that the combination of the downturn in world trade—arising initially from what happened in Asia, but affecting Russia and eastern Europe and Latin America, and now affecting some decisions being made in the United States—and what is happening on the stock exchanges, has had a powerful effect on the world economy and on confidence. I want us to steer a course of stability, but we must ensure that the world economy is also in a position to steer such a course. That is why we need major international financial reforms. I hope that, when the Conservative party grows up, it will welcome them.

Mr. Stuart Bell (Middlesbrough): Does the Chancellor agree that the British Government, and our friends in the G7 countries, are acting so that nation states can come to terms with their own economies and seek to deal with the financial contagion of speculation that has spread across the world? Long-Term Capital Management was able to raise $100 billion on $4 billion of capital. At one point, it was $3 trillion in debt. Japanese banks were not regulated properly, according to the Basle agreement. Derivatives trading has stripped the world's economies of good money made by manufacturers. Does my right hon. Friend agree that what he has said today puts the emphasis back on the real economy, on manufacturing, on services, on sales and on exports by getting a grip on the financial economy?

Mr. Brown: I agree that, if a Japanese bank fails or a Korean industrial company is unable to continue its investment, there will be an effect on jobs in the United Kingdom. If a Japanese manufacturer, or even an American or Latin American one, cannot maintain investment, that too affects our ability to invest and to create jobs.

People are coming to recognise that events in individual economies, and the fragility of the banking systems in some developing economies, can have a powerful effect on the world economy. To deal with that is not just in the interests of one country; it is in the interests of all. That is

why global financial regulation is a central issue. It was not an issue when capital flows were so small in the 1940s, but it is bound to be an issue in the 1990s, and that is why the international financial institutions must be reformed.

Mr. John Townend (East Yorkshire): I have been in the House for 20 years, and I have never heard a statement from a Chancellor that contained so much waffle and so little detail. Is not the right hon. Gentleman's statement basically a diversionary tactic that will give him an alibi tomorrow when he will announce to the House that our growth rate next year will be way under 1 per cent. while growth rates in France and Germany are way over 2 per cent? Is not that due to the failure of his economic policy of spending too high, taxing too high and imposing too much regulation, which has forced the Bank of England to keep interest rates sky high, and has created a growing depression? The right hon. Gentleman talked of transparency, but there is none in the European Central bank, which he is keen to join. Will he advocate that the bank's minutes be published? How much will his package cost the British taxpayer?

Mr. Brown: I do not know what has happened to the Conservative party. [HON. MEMBERS: "Answer."] Answer? The hon. Gentleman made a statement of prejudice against the world, and he failed to recognise that what happens in Britain is affected by what happens round the world. If he were criticising a statement that I had made without the agreement of our G7 partners and of central bank governors, that would be all very well.

However, I have worked on the statement with the Chairman of the Federal Reserve bank in the United States, Alan Greenspan, the governors of all the central banks in Europe, and the Finance Ministers of those countries. That includes Ministers of right-wing views and left-wing views, all of whom agree that international financial reform is necessary. The only people who do not agree with that, it seems, are in the Conservative party.

Mr. Dale Campbell-Savours (Workington): I warmly congratulate my right hon. Friend on his statement, and I pay tribute to the expert, confidence-inspiring way in which he set about it—*[Laughter.]* Oh yes, people all over the world will wish to thank the British Chancellor of the Exchequer for what he has done.

May I ask about a tax on speculative flows? Is that idea completely ruled out, or might it perhaps be on the agenda at some future point?

Mr. Brown: The key problem of a tax on speculation is how it would be applied, given the numerous financial centres that exist. We think that disclosure is the better answer to some of the problems that have arisen from the effects of speculative activity around the world, when it has become excessive. People must disclose the activities in which they are engaged, there must be proper international bodies that can deal with managing disclosure issues, and there must be proper standards that people have to follow.

I believe that even the Conservative party will see that that is the proper way forward. It wants to keep laughing, but we are talking about an international crisis that has left scores of millions of people in poverty. I wish that it would recognise what is happening around the world.

Mr. Peter Viggers (Gosport): Does the Chancellor accept that he has a problem in the growing gap between income and expenditure, and that, at the heart of his statement, despite all the appeals for private sector support, is an announcement that the Government will commit more money to the International Monetary Fund? Will that commitment increase his problem by increasing public expenditure, or will it not count as public expenditure? If it does not, would it not be more honest if it did?

Mr. Brown: In the traditions that have been followed by Governments of both parties, the contributions to the IMF count as coming from foreign exchange reserves. Our IMF quota has been voted by the House. America was the last country that had to make a decision on whether to go ahead with it. There has been a great welcome around the world for the American decision that makes it possible to create the new reserve facility. Under the previous Government, the then Chancellor of the Exchequer, who seems to have become very unpopular on the Conservative Benches, supported these measures. I think that, on reflection, the Conservative party will again support them, but it is a pity that it cannot do so today.

Mr. Tom Clarke (Coatbridge and Chryston): Does the Chancellor accept that, in any other forum in Britain, what he said would have been welcomed unanimously as sheer common sense? His two major points—the vulnerability of developing nations and the problem of debt, and the need for transparency in the IMF and the World bank—are surely self-evident. If people cannot be persuaded of the social and moral grounds that underscore his arguments, cannot we point out that economic interdependence means, for example, that, because of the meltdown in Asia, 1 million fewer Asian tourists are using the services of the British tourism industry than previously? On transparency, can he assure us that, with Oxfam and other non-governmental organisations, he believes that there should be separate representation at both the IMF and the World bank?

Mr. Brown: I am grateful to my right hon. Friend, who has long taken a great interest in development. I agree with what he says about transparency and the effect of what is happening all around the world on European economies. The agreement sets up a new emergency World bank facility that can give additional help to the poorest groups, particularly in Asia. The World bank is investing an extra $17 billion to help deal with social problems in Asia: 2.5 million children in Indonesia are being helped; a special employment programme is being developed in Thailand; in Korea, special adjustment finance is being provided. All those things are necessary to avoid not only unemployment but, in some cases, starvation. I hope that the whole House supports the measures.

Sir Teddy Taylor (Rochford and Southend, East): One of the key recommendations in the statement is the

[Sir Teddy Taylor]

reduction of European Union unemployment, which is now at the horrifying level of about 10 per cent., and more than 20 per cent. in some countries. Will the Chancellor say exactly how that is to be done? In light of the firm assurance by all G7 members that they are totally opposed to protectionism, will he say that the Government will wholly oppose the common agricultural policy, which is the greatest protection racket ever devised by man?

Mr. Brown: As the hon. Gentleman knows, the Government propose to reform the common agricultural policy. Conservative Members should welcome the fact that there is growth in Europe, and that the projections are for higher growth next year than in America, for example. *[Interruption.]* Conservative Members do not like it when Europe is growing, and they do not like it when Europe is not growing. Europe is set to grow next year. The employment action measures that we propose to adopt in Britain to deal with the structural problems of youth and long-term unemployment are increasingly being adopted in Europe. That will help to bring down unemployment.

Mr. Harry Barnes (North-East Derbyshire): In an economic crisis, the weakest go to the wall first. In this case, the weakest are some of the world's poorest nations, which are looking for the removal of their international debt. Will the debt rescheduling measures that my right hon. Friend mentioned—new rules for the IMF and the World bank—begin to tackle that problem?

Mr. Brown: At the recent meetings of the IMF and the World bank in October, the United Kingdom proposed a number of measures that would help to get more countries into the debt reduction process. We are confident that, if action is taken both by them and by the world authorities, all countries can be part of the debt reduction process by the millennium.

We suggested a measure whereby post-conflict countries, particularly in Africa, which face the double burden of debt and an economy destroyed as a result of war, could get special help to ensure that they are part of the debt reduction process as well. I assure my hon. Friend that what the Churches and voluntary organisations throughout the UK and Europe are pressing for—action before the millennium on debt relief that genuinely helps people in difficulty, particularly in Africa—is part of the programme that the UK is pushing.

Mr. Peter Brooke (Cities of London and Westminster): Before we set another unnecessary hare running, did the Chancellor of the Exchequer intend to agree with the hon. Member for Middlesbrough (Mr. Bell), as he seemed to, that financial services are not a real service industry, even if they require regulation?

Mr. Brown: No, I did not say that, and I do not think that it was the intention of my hon. Friend the Member for Middlesbrough.

Mr. Dennis Skinner (Bolsover): My right hon. Friend should not pay a great deal of attention to the nervous laughter from the Conservative Benches when he was making his statement, because that party was responsible for seeing Johnson Matthey go down the pan to the tune of several hundred million pounds; they sat on their hands while the Bank of Credit and Commerce International lost £14 billion; and they did nothing when Barings lost £800 million. They are the Nicky Leesons of the political world. Will my right hon. Friend bear in mind that, although words like "codes of conduct" and "intervention" are well-meaning, if we are to tame the casino economy there must be some binding measures as well?

Mr. Brown: I am grateful to my hon. Friend for pointing out the Conservatives' record. If they do not believe in international financial regulation, it is doubtful whether they believe in national financial regulation. All G7 countries have agreed to follow the codes of conduct and the intervention that we propose, and there is now a timetable for action. At the beginning of next year, agreements on a number of those issues will be put into practice, and any further work will be completed by the next G7 summit. That is a record not only of moving the issue forward as a result of the financial crisis, but of trying to resolve quickly issues which, on reflection, Conservative Members should have resolved long ago, when they were in government.

Miss Anne McIntosh (Vale of York): The Chancellor mentioned the need to reduce unemployment across Europe. Does he agree that those measures should be business led, and that it is not the role of Governments within the European Union to attempt to create jobs? That should be left to the business community.

Mr. Brown: I agree that businesses create jobs and prosperity, and that is exactly what I would say in every discussion I have. However, the hon. Lady must recognise that welfare to work would not have happened without government. The private sector often needs the Government's lead in helping with training and job opportunities for people who have been left out. We now have 140,000 young people in the welfare-to-work programmes under the new deal. I hope that the hon. Lady's remarks mean that she, at least, will welcome that on behalf of the Conservative party.

Mr. Jim Cousins (Newcastle upon Tyne, Central): I welcome my right hon. Friend's statement, because it offers a firm platform for collective action by the new Governments of the left in Europe to promote growth and employment. However, can he assure the House that, in future, IMF packages will secure jobs and employment in the target countries, not simply bail out banks for risks that they should never have taken? Will he also assure us that Britain's offshore tax havens will have a firm regime of disclosure and transparency, of the kind that he wishes to see in the rest of the world?

Mr. Brown: I can say that we are looking at exactly that, in relation to the offshore independent territories.

As for the IMF, it is true that last year's initial programmes relating to countries such as Indonesia have been found not to be appropriate. That is why there must be more openness and more external audit in regard to what the IMF does, and I believe that some of the decisions that we have made will facilitate the process.

Mr. Michael Jack (Fylde): In the early part of his statement, the Chancellor mentioned a number of actions

that countries and groups of countries were expected to take in order to comply with the international agreement. Will there be a country-by-country timetable for such action? What sanctions will be imposed on countries that do not comply with that international requirement? Without a timetable and without sanctions, it will be a worthless and toothless agreement.

Mr. Brown: Countries will report what they have done by the time of the next G7 summit. As for sanctions, we propose that, when the IMF produces its national reports on individual countries, it should report on what has happened to, for example, reforms of the financial system. So there will be a timetable for reports, and sanctions in the form of publicity about what has gone wrong.

Mr. Gerald Bermingham (St. Helens, South): Will the Chancellor keep a wary eye on our national clearing banks and other financial institutions, so that what has happened with hedge funds in the past does not happen again? When the financial institutions caught a cold in connection with third-world debts, the property boom and one or two other speculative enterprises in the 1970s and 1980s, they promptly recouped the money from customers in the United Kingdom, both industrial and private. Perhaps the Chancellor will keep an eye on them, because we would not like a repeat of something that caused so much damage to the personal and industrial economic health of the country.

Mr. Brown: I agree that it is important for our banks to service the needs of businesses in the best way possible, and the Government will keep that under continuous review. As for hedge funds, we intend to implement the initiatives that I have suggested this afternoon. I will report to the House later.

Mr. Michael Fabricant (Lichfield): Does the Chancellor realise that the CBI and the Engineering Employers Federation will not be amused by his refusal to answer questions about the way in which his actions are exacerbating the effects of the decline in the world economy? Will he now answer the question posed by my right hon. Friend the Member for Horsham (Mr. Maude)? Will he tell us exactly why the Australian economy, which is more dependent on the Asian economy than ours, is growing at a rate of 2.2 per cent., while the United Kingdom economy—which, by his own admission, is less dependent on the Asian economy—is growing at a rate of only 0.8 per cent.?

Mr. Brown: As the hon. Gentleman knows, the British economy has been growing at an average of more than 2 per cent. over the past year. I shall give the figures tomorrow.

The hon. Gentleman should look at the figures relating to employment, which show that more people are employed in Britain than ever before. As for unemployment, which is another measure of bad performance, we have 400,000 fewer people unemployed.

I can tell the hon. Gentleman that the Australian Government are as interested as the British Government in reforming the international financial system. It seems that the only organisation that is uninterested in reform is the Conservative party.

Mr. Chris Pond (Gravesham): I welcome my right hon. Friend's statement, especially the statement of the principles of social policy that have been agreed through the G7.

Will my right hon. Friend confirm—especially in the light of his last few words—that the country's employment record has been rather better lately than the record of the last Government, from whom we inherited the largest proportion of workless households in the European Union? Will he also confirm that it is understood by all members of the G7, on both right and left, that decent social standards are a precondition for economic progress, and that social justice is not an alternative to economic prosperity?

Mr. Brown: We have held discussions about the code of social policy, not simply with the G7 and the IMF but with the Commonwealth countries. They, too, are interested in how we can establish internationally agreed principles of social policy that can guide their peoples' behaviour. I like to think that we can make some progress on that, in terms not just of international debt, but of laying down social standards that all countries are prepared to adopt.

In view of what is happening in Indonesia—which I visited only a few months ago—and in Korea, Malaysia and many other Asian countries, the sooner we can secure agreement on what can be done to help in these difficult social times, the better. I assure my hon. Friend that, although I can, of course, make my party political points about the Conservatives' record on unemployment, it is more important to us to make progress throughout the world in dealing with some of the major social problems.

Mr. Andrew Tyrie (Chichester): The Chancellor said that the IMF quota increase was agreed in July by the House. In fact, it was put upstairs in a Standing Committee, where there was an almost farcical exchange, with very little understanding by the Government of what had been agreed. Billions of pounds of British taxpayers' money is at risk here. Will the Chancellor acknowledge that, in future, all IMF quota increases should be taken on the Floor of the House?

Mr. Brown: I am happy to debate the issues of international financial institutions sensibly, and I hope that the whole Conservative party will join that debate when we have it. On the IMF quota increase, it is correct that, in Committee before the summer recess, we approved the UK share of the quota increase. It is also true that we approved in Committee last year the steps that the UK needs to take to participate in what are the new arrangements for borrowing.

I agree that these are important issues, but I think the hon. Gentleman would want Britain to continue to be the fourth biggest shareholder in the IMF, and to play our full part in the international institutions, and would want Britain's influence to count throughout the world. That depends on our playing a full part in the international

[Mr. Brown]

financial institutions, and not on some cheap party political point saying that we should not pay our share of the quota.

Mr. Mike Gapes (Ilford, South): Will my right hon. Friend confirm that, when he discussed these matters with his G7 colleagues, one of the matters that might have been discussed was how to promote such policies internationally? Will he confirm that the Conservative party has decided to get rid of the torch symbol and instead adopt the ostrich in its approach to these matters?

Mr. Brown: I know that, because the Conservative party failed in government, it wants to think that every Government will fail internationally, and is cynical about what can be achieved; but my hon. Friend is right. Progress on dealing with some of these international problems over the past few months has been important. We must go further, and make more progress on these issues. That cannot be done unless the G7, central bank governors and Finance Ministers work together and we can galvanise the IMF and World bank into action. I would have hoped that there would be all-party support for that throughout the House.

Dr. Vincent Cable (Twickenham): May I add my support for the international economic initiatives, but specifically ask about exchange rate stability? Would the right hon. Gentleman confirm the written answer that was given to me by the Economic Secretary to the Treasury a few days ago—that, since the Government came to office, the pound sterling had appreciated by over 10 per cent. in real terms, when we take into account different rates of inflation and the movements of all currencies, including the dollar; in other words, the pound sterling is over 10 per cent. less competitive?

Mr. Brown: I do not accept the hon. Gentleman's interpretation of the figures. When we came to power, the pound against the deutschmark was, if I remember rightly, 2.79; it is now less than 2.79. For a time, it was up further. It has now come down 10 per cent. In relation to the dollar, the pound and the dollar have not changed a great deal over the past two or three years. I have understood the concerns of exporters in these matters, but I keep saying to the House, and I will repeat it: the bigger concern of every part of industry would be if we were ever to return again to the boom-bust conditions that were left to us by the Conservative party in the early 1990s.

Mr. Geoffrey Clifton-Brown (Cotswold): Would not the Chancellor's statement this afternoon have been greeted with greater credibility if he had stopped blaming everyone else except the Government for this country's economic woes? Why did he say in public during the summer that the growth target that he announced in the last Budget had been revised downwards from 1.7 to 1 per cent? Why did he tell this morning's "Today" programme rather than Parliament that our borrowing was being increased to a staggering £22 billion? When will he take some proper measures to help manufacturing industry, and to save some of the jobs that are being lost in his constituency and elsewhere?

Mr. Brown: I do not know what question the hon. Member has been given to ask, but let me say that America is revising down its growth forecast, Japan has revised down its growth forecast, and Europe and Latin America are revising down their growth forecast. Every country is having to revise down its growth forecast as a result of what is happening throughout the world. The Conservative party wants to opt out of the world. We are part of a global economy, and the sooner it recognises that, the better.

Mr. Tim Collins (Westmorland and Lonsdale): Will the right hon. Gentleman now answer the question he dodged earlier? If he believes in transparency on monetary policy, why has he not criticised the refusal of the European central bank to publish the minutes of its meetings? He has lectured Conservative Members on foreign policy, but has he not noticed that Germany has not a new President, as he said earlier, but a new Chancellor? That is something that Britain needs, too.

Mr. Brown: If the hon. Gentleman wants to be accurate, he will acknowledge that I have criticised the European central bank and asked it to have transparency in its operations. The hon. Gentleman should be correct rather than wrong in his assertions.

Personal Statement (Mr. Ron Davies)

4.26 pm

Mr. Ron Davies (Caerphilly): I am grateful to you, Madam Speaker, for allowing me this opportunity to make a personal statement.

Last Monday evening, I made a severe error of judgment in failing to protect my personal safety. I became the victim of what was for me a frightening and shocking crime. I reported the matter to the police, and the process of law will now take its course. For that reason, I shall make no further comment on that aspect of the matter. However, I offer my heartfelt apologies to the House for any embarrassment that I might have caused.

On Tuesday morning, I explained to the Prime Minister what had occurred, I apologised for it, I offered him my resignation, and he accepted it. I want to place on record my thanks to the Prime Minister for his personal support and solicitude over the past few days, which have been of very great comfort to me.

The events of the last week have been unremittingly agonising. I could not have got through them without the love and support of the two people most dear to me—my wife Chris and my daughter Angharad. Without the constant support of a few other very close friends I cannot imagine how I could have got through this nightmare, and I offer them my heartfelt and most profound thanks. I also want to thank many other close friends for their endless patience in the face of a constant barrage of media pressure. I am grateful for the messages of support from former ministerial colleagues, Members of both Houses—from both sides—and the public at large.

The shock, for me, of the events of last Monday, and the sadness of my resignation, have been added to by media intrusion into my private life, reporting as fact a stream of rubbish. Rumour and lies have been asserted as truth. The whole of my adult life has been pored over for something that could be twisted to suit the present prejudice.

Ultimately, this arbitrary abuse of power is an attack not just on me, but on all our rights. The right to privacy belongs to all citizens. The victims of crime, even if they are in public life, cannot be excluded from that. We all have rights; we also all have responsibilities, of course, and that applies to the media. The media have the right to freedom, but they must carry the responsibilities to exercise that right judiciously.

In my childhood, I learned a very hard lesson at a very early age—one cannot allow powerful people to bully the weak or to abuse their own power. How willing will the next victim of a crime be to report it; how eager will people be to stand for public office in the knowledge that one mistake might result in the whole of their lives being picked over and twisted out of all recognition? How can it improve democracy if our lives in this House, our influences and our relationships, were all laid out for public titillation? We are what we are. We are all different—the product of both our genes and our experiences. Members of Parliament are no different from the society that we represent.

Since I became the Labour party spokesman for Wales in 1992, the creation of a new democracy for Wales has been for me a personal commitment and a political responsibility. I know that the process that I started will go on, creating a more tolerant, more open and more mature way of conducting politics. My experience in the past week could not have provided me with a more vivid demonstration of the need for such a tolerant and understanding society. The support that I have received from colleagues, from ordinary citizens and, indeed, from the Welsh media reassures me that that is a vision that is widely shared.

Not for the first time in my life, I have been badly beaten and hurt. I believe that my defences are strong enough to see me through this very trying time. From adversity, of course, can come strength. That will be so in my current circumstances. I worked hard to change the face of politics and government in Wales. I am now more determined than ever to see those changes through.

I am very grateful to you, Madam Speaker, and for the attention of the House.

Hon. Members: Hear, hear.

Journalists (BBC)

4.30 pm

Mr. Eric Forth (Bromley and Chislehurst): On a point of order, Madam Speaker. You and other hon. Members are very much aware of the reliance that we place on a free journalistic corps—on the fact that journalists must be absolutely free to report on what hon. Members and others do. Can you suggest what we might do to protect journalists in the BBC against an absolutely unjustified trammelling of their freedom which seems, on the face of it—if we can believe the reports—to result from some high-level cronyism between elements in the Government and elements in the senior level of the BBC? The matter surely must concern you, Madam Speaker, as much as it does other hon. Members. Will you say what can be done about it?

Madam Speaker: I concern myself with many matters in the House, and try to give useful and beneficial guidance to hon. Members. However, on those matters, I think that we must all act in accordance with our own consciences.

Security and Intelligence Agencies

[Relevant documents: The Intelligence and Security Committee's Annual Report (Cm. 4073) for 1997–98 and the Government's reponse (Cm. 4089).]

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Dowd.]*

Madam Speaker: Before I call the Secretary of State, I should say that I had intended to place a time limit on Back Benchers' speeches in this debate, as there is great demand to speak in it. However, we are starting in good time, and I leave the House to discipline itself for once.

4.32 pm

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Robin Cook): Thank you, Madam Speaker; I shall take your words to heart.

Today's debate is a piece of parliamentary history. This is not the first report of the Intelligence and Security Committee, but it is the first time that Parliament has had an opportunity to debate one. It is not so long ago that Governments would not officially recognise the very existence of the Secret Intelligence Service—or MI6, as it was popularly known—and in those years it would have been inconceivable that Parliament should debate its functions. Even the location of the agency's headquarters was protected information. It is perhaps a measure of the new openness that, when I last visited those headquarters, I noticed that the nearest bistro has been named "Miss Moneypenny's"—which is an interesting case of fiction invading real life.

It is a consequence of the work of the Intelligence and Security Committee that we are able to have this debate at all. The first report of the new Committee fully justifies the new mechanisms of scrutiny. It sets out the work programme of the agencies with clarity, and also raises openly, but responsibly, discussion of areas of legitimate public concern, particularly relating to the personnel management of the agencies and the files on individuals held by them.

The Committee's work necessarily is not in the open. It would sharply inhibit the candour with which its questions were answered if it met in open session. Some hon. Members may imagine that, because the Committee meets and takes evidence in private, it provides an easy life for its witnesses. I should disabuse the House of that idea. As one of those who has given evidence to the Committee, I can assure the House that the fact that the meeting takes place in private does not in any way diminish the acuteness of the questioning, which is just as testing as any in front of the press.

I thank all members of the Committee for the hard work that they have put into the report. Their effort is all the more appreciated as, by definition, it cannot lead to the public recognition that might attend membership of a Select Committee. The success of the Committee owes much to the experienced hand of its Chairman, the right hon. Member for Bridgwater (Mr. King). The House is fortunate to have in the Chair of the Committee a Member who has had extensive experience, in Northern Ireland and at the Ministry of Defence, of the work of the agencies. As the report of the Committee stresses, the frankness with which the agencies are able to respond to

its scrutiny is crucially dependent on the relationship of trust between the agencies and the members and the Chairman of the Committee.

The Government welcome the report. Our published response to the report has already demonstrated that we find ourselves in agreement with the bulk of the Committee's recommendations, although there are some which are for the House itself, not for Ministers, to progress. I would begin with the very lucid observations in the foreword to the report. I would agree with the Committee that the three agencies are operating in an environment that has changed dramatically over the past decade.

For the first 40 years after the war, the role and justification of the three agencies was self-evident. Europe, and indeed much of the world, was divided into two armed camps, with a very real risk of hostilities between them. Today, three of our former potential enemies in the Warsaw pact are becoming firm allies in NATO. Almost a dozen of the countries of the former communist bloc are democracies on the threshold of membership of the European Union.

We are fortunate to be living through a period of such exciting and historic transformation in our continent, yet there remain security threats to our country, some of which have become more serious over the same decade in which the cold war has receded. The cold war provided a world order of a kind, and not everything that has happened since its disappearance has been either predictable or welcome.

The conflicts in the former Yugoslavia continue to bring home to us the dangers to regional peace from the revival of a narrow ethnic nationalism. The recent strategic defence review confirmed that British forces must be ready for deployment on a variety of missions to keep the peace and to ensure humanitarian relief. Accurate and reliable intelligence will remain as important to those missions as it ever was to the defence of the central front of NATO. Moreover, the increased communication and speed of transfer of equipment and technology which comes with globalisation brings with it challenges as well as opportunities.

Increased mobility creates new opportunities for the drugs trade, which is now second only to the oil trade in value. The revolution in the transfer of knowledge creates new problems of preventing access to the technology required for weapons of mass destruction; and terrorists today can conduct their campaigns on a global horizon, not just on a national stage.

We have sought to give new priority to combating the global concerns of drugs, terrorism and proliferation, and I want to put on record my appreciation of the vigorous and imaginative way in which the three agencies have responded to these fresh priorities. It is of course essential to the continuing success of the agencies' work in these spheres that I cannot disclose to the House their specific successes, of which I know from my own experience. The nature of what they do means that they cannot boast of their achievements if they are to remain effective, but let me assure the House that they have scored real achievements.

The work of the agencies is of major importance in fighting the menace of the drugs trade. The intelligence that they provide to the law enforcement agencies helps us to go further up the supply chain, targeting the barons rather than the underlings. In the past three years, the agencies have contributed to more than £200 million worth of drugs being seized and dozens of criminals being arrested.

The work of the agencies is also crucial in frustrating the ambitions of those regimes that are trying to acquire the technology for nuclear, chemical or biological weapons. Without the intelligence from their monitoring, we would never have the accurate information needed to apply diplomatic pressure or to secure effective international agreement to discourage proliferation; nor would we be able to disrupt covert attempts to acquire such technology. They are also vital to the fight against terrorism. By keeping us alert to the preparations of the terrorists and by helping us to frustrate those preparations, they have saved lives from the hands of the terrorists.

Sir Peter Emery (East Devon): I thank the Foreign Secretary for giving way. Although none of us would wish to decry the work of any of the three agencies, does he accept that because the Intelligence and Security Committee was set up by the Government and reports to the Prime Minister, it is different from the Select Committees? Does he further accept that Select Committees retain the right to call on any of the agencies that may be concerned specifically with the work of the Intelligence and Security Committee—for example, in respect of drugs, which would concern the Home Affairs Committee? Matters of foreign affairs which are the responsibility of the Foreign Affairs Committee would be another case in point.

Mr. Cook: I would anticipate that the Chairman of the Intelligence and Security Committee might wish to make an observation on that later. However, I would correct the right hon. Member on one point: the Intelligence and Security Committee was set up by Act of Parliament. It is accountable to my right hon. Friend the Prime Minister and we are laying before Parliament the report that it submitted to him. That is right, and it gives Parliament the proper opportunity to exercise scrutiny.

The involvement of other Select Committees will be a matter for review on an ad hoc, case-by-case basis where it may be appropriate for those Committees to intervene on intelligence matters. However, it does not seem to me that there is much merit in maintaining an Intelligence and Security Committee—with the specific task of building a relationship of trust with the intelligence agencies in order to carry out the job of scrutiny—if the same job is then done by Select Committees. A Select Committee that wished to intervene in those matters must be carrying out a clear and distinct job.

Mr. Dale Campbell-Savours (Workington): Will my right hon. Friend give way?

Mr. Cook: I happily give way to my hon. Friend, who I believe is a member of the Committee.

Mr. Campbell-Savours: I have listened with great care to my right hon. Friend. Is it not the truth that if the Committee were to be a fully fledged Select Committee, many of the arguments that have taken place would not be necessary in future?

Mr. Cook: Possibly the one that we have just had would not need to take place in future, but I can assure

[Mr. Cook]

my hon. Friend that there would be many others. I believe that he has not yet commanded a majority on the Committee for his proposal that it should transform itself into a Select Committee. Of course it must be a matter of judgment—ultimately the judgment of Parliament as to whether it wishes to amend the legislation—but I am sure that Parliament would be wise to reflect on whether, in the move to greater openness that would be made with becoming a Select Committee, some of the candour and openness with which the agencies can co-operate with the present Committee would be lost.

Mr. David Winnick (Walsall, North) *rose—*

Mr. Chris Mullin (Sunderland, South) *rose—*

Mr. Cook: I shall give way, but at some stage I need to proceed with my speech on the report.

Mr. Winnick: Does my right hon. Friend accept that, in opposition, we made proposals for more openness and voted accordingly? Does he further accept that as long as there is a lack of proper parliamentary accountability, as is the current position, regardless of the existence of the Committee, the controversy will continue in one way or another? The way to resolve it is by allowing the type of scrutiny that we proposed in opposition.

Mr. Cook: We did commit ourselves to more openness, and today's debate is an example of our being more open than any previous Administration. Moreover, our work on accountability for the Secret Intelligence Service shows that we are willing to be more open. As the House will be aware, I have ordered a report to be prepared by historians in response to a parliamentary question on the Zinoviev letter which will put more into the public domain than has yet been revealed.

The current Administration have no need whatever to be apologetic about our record on openness in regard to the intelligence and security services. On the contrary, we have taken steps that no previous Administration have taken, but at the same time we have to be careful that we create mechanisms of scrutiny that will actually work and will not result in the process being so open that the agencies cannot co-operate with them in the same way as they co-operate with the present mechanisms.

So far, I have discussed the work of the three agencies as one single effort. That makes sense because they co-operate fully together, and the intelligence assessments which we see as Ministers can draw on the work of all three agencies. I also wish to give a few examples of their separate work.

The Security Service leads the intelligence war against terrorism related to Northern Ireland. Its work with the police has led directly to the disruption of major terrorist attacks and the arrest and conviction of many terrorists.

Last year, six Provisional IRA members were convicted of planning to blow up six of the main electricity substations feeding London. Had the terrorists succeeded, there would have been immense disruption to the lives and prosperity of the people of London.

Since 1996, the service has supported the law enforcement agencies in the fight against organised crime. That co-operation has already resulted in success. One example is the conviction last year of a major criminal on a firearms offence. The Security Service played a key role in bringing him to justice.

Similarly, GCHQ has given vital support to our military in every crisis since the second world war. That is as true today as it was at the time of the cracking of the Enigma code. We have well over 50,000 troops deployed in more than 20 different operations around the world. Some of them operate in conditions that are anything but safe. The intelligence provided by GCHQ helps them cope with volatile and dangerous circumstances. Our troops in Bosnia, for example, get intelligence from GCHQ that enables them to work more effectively and safely.

GCHQ also has a key defensive role. It is one of the world leaders in developing information technology that is safe from attack. The Government secure intranet launched in April was a good example. So was the GCHQ-designed Brent secure telephone, which is both highly effective and the cheapest totally secure telephone system ever produced. In a world in which information is increasingly the single most important commodity, the ability to protect computers from attack is a fundamental requirement for our national security. The work of GCHQ will help ensure that Britain can go into the information age with confidence and, as a result of current investment, GCHQ will be able to face that future in a modern building on a single site in place of the present two sites.

Mr. A. J. Beith (Berwick-upon-Tweed): Will the Foreign Secretary give way?

Mr. Cook: I had rather anticipated that the hon. Member for Cheltenham (Mr. Jones) would wish to intervene, but I am happy to give way to the right hon. Gentleman.

Mr. Beith: My hon. Friend hopes to catch your eye, later Mr. Deputy Speaker. I hope that the Foreign Secretary recognises the force of what the Committee said about how undesirable it is that such an enormous project of tremendous importance to Cheltenham and the surrounding area should have been overseen by no fewer than four different director-generals.

Mr. Cook: I felt that on one arithmetical problem, the Committee slightly overegged it. To be fair, the fourth director was in post for five years, which is a reasonable period. However, I acknowledge that there have been three directors over the past two years. Of course, there is a balance to be struck. It would indeed be desirable that directors should remain at GCHQ for longer. On the other hand, over the past two years the present Government and the previous Administration, who were responsible for the first of those three appointments, have sought to make sure that those appointed as directors were people of the highest calibre and potential. It is a matter of record that people of high potential and high achievement tend to get poached for promoted posts, and the fact that two of those three have departed for posts of permanent secretary is a tribute to their calibre.

I assure the right hon. Gentleman that we will continue to make sure that GCHQ continues to receive top management of the highest calibre; and I hope that we can now have a period of stability to see the project through. The project is not just the work of one man or woman as director. It is the work of a team. Expertise has remained available throughout that period.

GCHQ and the Security Service have been opening up. Both have publicly advertised for recruits and both now have websites. The Security Service has produced a booklet describing its work. However, the third agency—the Secret Intelligence Service—must remain secret. I cannot be as frank with the House about its successes as I have been about those of the other two agencies.

Those who work with SIS overseas often risk their lives so that our lives may be safe. Their effectiveness and their lives depend on their identities and work remaining out of the public eye. Their ability to gather intelligence depends on the confidence that their sources have in the absolute trustworthiness and discretion of the service. Their international links depend on their sister services in other countries knowing that when they hand information to SIS it will remain secure.

For all three agencies to perform their work adequately, they must be adequately financed. The function and structure of the agencies were separately examined in the recent comprehensive spending review. We concluded that there was a real and continuing need for the work of the agencies. If they are to do their job, they must have confidence that they will be resourced to fulfil the tasks that we place on them. I am pleased that the comprehensive spending review has halted the decline in the resources available to the agencies and enabled them to face the future with confidence. That is in contrast to the past five years, during which the budget of the agencies declined by nearly one third.

I particularly welcome the care and attention that the Intelligence and Security Committee has paid to issues of personnel management. All three agencies depend wholly on their staff. For each, their staff are their key asset. When they join they sacrifice some personal freedom. The agencies depend on the loyalty and discretion of their staff. In return, we need to make sure that there are proper arrangements in place to deal with their problems and grievances.

I am glad that the Committee recognised the valuable work done by the staff counsellor. We share the Committee's view that Sir Christopher France has an important role. The Government also share the Committee's anxiety that staff should, as much as possible, enjoy the same rights as other employees, including access to industrial tribunals. As we have already said, we are reviewing whether and how it might be possible to give access to a tribunal for those sensitive cases that are currently excluded from such arrangements.

The Government have already demonstrated their commitment to the rights of the staff who do important national security work. One of our earliest acts was to restore to staff at GCHQ the right to belong to an independent trade union. Three of those who lost their jobs because they refused to lose their union membership are now back at work at GCHQ.

Mr. Nigel Jones (Cheltenham): Will the Foreign Secretary accept the thanks of all the people of Cheltenham—particularly the 14 who were fired for keeping their trade union membership—for the fact that the Government kept their promise to remove the ban on GCHQ trade unions soon after taking office?

Mr. Winnick: Are the Tories embarrassed?

Mr. Cook: I do not think that my hon. Friend addressed that question to me.

I am grateful to the hon. Member for Cheltenham for that comment. I know from what the 14 people concerned have said that they appreciate what we have done. As one of them has said, we have righted a wrong that lasted for too long.

The Committee is right to pay attention to personnel management, because this is not just an issue of ensuring that we treat fairly those who are dedicated to the national interest. It is also vital for the security of the agencies that they detect—and when possible resolve—staff dissatisfaction before it leads to disaffection.

At the height of the cold war, a major threat to the security of the agencies was the possibility of the corruption of a member of staff by bribery or blackmail. Although that threat may have receded, a new one has arisen. Today, the extravagant rewards that can be gained from an exclusive deal with a newspaper or book publisher can provide a bigger payout for disloyalty than the KGB ever offered. Moreover, it does not necessarily come with the same insistence on accuracy that the KGB might have required. It therefore remains vital that the agencies be vigilant in recruiting their staff and maintaining the motivation of their officers.

The members of the Committee are familiar with the difficulties caused to SIS and the Security Service by former members of staff who present a cocktail of fact and fiction as a portrait of the work of the services. Considerable investment has been made to reduce the possibility of such cases in future by improving the vetting and recruitment procedures and strengthening the monitoring of staff in post.

The secrecy that is essential to the work of the agencies means that most of our constituents are not aware of their real work. They are left to form their impressions of the three agencies from the word processors of novelists and the cameras of Hollywood. Those impressions are not always entirely accurate. It may be challenging for the Intelligence and Security Committee to correct all those false impressions satisfactorily. Nevertheless, by providing a candid and sober account of the work of the three agencies, the report restores some balance. Our constituents pay for the three agencies. They must have access to an honest explanation of why it is important that their money should be invested in them.

That is why it was right to commit a day of parliamentary time to debating the report of the Intelligence and Security Committee. I commend the work of the Committee to the House and I look forward to working with it to ensure that we get the right balance between operational secrecy and parliamentary scrutiny for these three pillars of our national security.

4.56 pm

Mr. Michael Howard (Folkestone and Hythe): I pay tribute to the men and women who carry out, on behalf of us all, some of the most difficult, delicate and dangerous duties that any servants of the Crown are asked to discharge. I speak as shadow Foreign Secretary, but for four years, as Home Secretary, I had responsibility for the Security Service. In that capacity, I acquired detailed knowledge of the activities in which the personnel of that service engaged, through general briefings and through the ability to follow the course of particular investigations that comes with the duty to authorise warrants. I was left in no doubt about the enormous risks run by those whom

[Mr. Michael Howard]

we charge with such responsibilities on our behalf. I welcome this opportunity to pay tribute to them and to members of the other agencies for their work.

There can be no doubt about the continuing need for that work. In the introduction to its latest report, the Intelligence and Security Committee refers to the threats to this country and to the peace of the world that have arisen in the aftermath of the cold war. The report asks starkly:

"Was not the Cold War, in its awful way, a form of rigid security system that has now collapsed, and have not new developments and technology and 'globalisation' produced their own dangers?"

Without any trace of nostalgia for the cold war, few, if any, hon. Members would decline to answer that question in the affirmative.

The next paragraph of the report identifies some of the threats, including the enormous increase in the instability of the world and the breakdown of what had previously appeared to be stable sovereign entities into separate states, often riven by ethnic enmities. The consequent need for peacekeeping or humanitarian missions places a premium on the product of intelligence services. The new world order, which was hailed with such optimism just a few short years ago, has since degenerated into a discord of disorder.

Despite welcome developments in Northern Ireland, the threat of terrorist attack remains. Growth in the activities of serious criminal organisations, centred on the drugs menace and associated with large-scale money laundering, has continued apace. Many such organisations have access to resources that dwarf the entire national incomes of many sovereign states. Their sophistication is formidable. The proliferation of weapons of mass destruction poses a danger that we ignore at our peril. The need for this country to have efficient, effective intelligence services at its disposal is as great as ever.

Efficiency and effectiveness can be helped by proper scrutiny arrangements. The increased accountability that such arrangements bring can promote the better working of the agencies as well as, of course, providing all the advantages of greater openness and democratic control. That is why the previous Government introduced arrangements in the Intelligence Services Act 1994 which included the establishment of the Intelligence and Security Committee. Its latest report does much to inform today's debate. I am happy to join the Foreign Secretary in paying tribute to the Committee, and particularly to my right hon. Friend the Member for Bridgwater (Mr. King), who has chaired it with such distinction since its inception.

The way in which the Committee has discharged its responsibilities in both the previous Parliament and this one has given the lie to the doubts that were expressed by some who now sit on the Government Benches. The present Secretary of State for Trade and Industry, for example, asked in respect of the Intelligence and Security Committee:

"Are not we . . . supporting what is, to all intents and purposes, becoming a charade?"

The hon. Member for Walsall, North (Mr. Winnick) spoke against the presence on the proposed Committee of former Cabinet Ministers. He said:

"Those people will be seen to be against any type of oversight of the security services."—[*Official Report, Standing Committee E*, 29 March 1994; c. 267-72.]

I hope that, in winding up the debate, the Home Secretary will acknowledge that those objections were misconceived, and will distance himself from those comments.

That is the background against which we must consider some of the issues raised in the report that are relevant to today's debate. Yet another tragic murder over the weekend, and the acknowledgement of responsibility for it by what might be a new terrorist grouping, reinforce the need for continuing vigilance by the Government as a whole and the security services in particular in respect of events in Northern Ireland. The work that has been done on combating Irish terrorism in recent years has been, in the full and literal sense, absolutely heroic. It must continue; it will not be assisted by the continuing release of those who have been convicted of the most brutal crimes without any decommissioning of paramilitary arms.

The report contains a brief and necessarily curtailed reference to Iraq. Again, events over the weekend underline the importance of continued vigilance. The threat to world peace from Iraq is acute, and we must combat it by all legitimate means at our disposal. The contribution of the security services must continue.

The Committee's programme of work refers to its intention to pursue questions of intelligence policy in relation to recent events in Sierra Leone in the light of the findings of the Legg report. The House will recall the difficulty faced by the Foreign Affairs Committee in trying to question the Foreign Secretary on the subject. At every stage, information had to be squeezed out of Ministers and officials. The process was as prolonged and painful as drawing teeth without an anaesthetic.

The arms-to-Africa affair evolved into a constitutional confrontation between the Executive and Parliament. The Foreign Secretary attempted to put into practice a new constitutional doctrine that, if he orders an internal inquiry, which is held in private, it should take precedence over and, indeed, displace the role of Select Committees. In view of that, will my right hon. Friend the Member for Bridgwater tell the House a little more about the Committee's plans in that regard and what progress, if any, has been made?

One of the most significant changes in recent years in the Security Service has been the additional responsibilities entrusted to it concerning serious organised crime—a change made when I was Home Secretary. I therefore read with particular interest the information in paragraph 17 of the report, and look forward to the results of the further work that the Committee intends to undertake in the area. I hope that the Home Secretary will tell us a little more about the Security Service's work in that area in his winding-up speech. Like the Committee, I very much welcome the new priority given by the Secret Intelligence Service and GCHQ to their work against drug trafficking.

The Committee highlights several other issues in its report. Its recommendations on finances seem very sensible. The new form in which information was presented to the Committee is helpful, and may be helpful to Ministers. I agree, too, that formal provision should be made for the disclosure of information and reporting by the Comptroller and Auditor General to the Committee, in consultation with the Chairman of the Public Accounts Committee. It would be desirable, where practicable, for

the National Audit Office to carry out further value-for-money studies into the agencies' activities. Will the Home Secretary tell us to what extent that has been taken forward since the publication of the Committee's report?

The Committee's recommendations on personnel management issues are especially important. It is clearly crucial, as the Committee said, that every effort should be made

"to address and resolve potential disaffection at an early stage."

The Committee makes other recommendations on the subject, of which the most interesting is that employees of the agencies should have access to industrial tribunals. The Government have said that they are examining the proposal. I suspect that it will prove to be necessary for the Secretary of State to retain the power to issue a certificate where necessary to prevent an individual from having access to a tribunal, although it may nevertheless be possible to adapt several of the Committee's recommendations and, indeed, adopt them. I would support such a move. Has any further progress been made in implementing the proposal?

Conservative Members will watch with interest the effect of the Government's decision to restore trade union rights at GCHQ, conscious of the fact that, before the decision to withdraw those rights, 10,000 man days had been lost to strike action. As a result of the previous Government's general trade union reforms, the entire climate of industrial relations in Britain is very different. That difference in climate may well be sufficient to prevent a return of the sad, strike-torn days that led to the ban. I certainly hope so.

Mr. Allan Rogers (Rhondda): I am sure that the shadow Foreign Secretary would not want to mislead the House, but by just giving the figure of 10,000 man days, he has created an entirely sad picture. Will he say how many people work at GCHQ and over what period the days were lost? For instance, we could be talking about 1,000 employees losing only 10 days each—but over what period? It is not good enough to make such a statement without justifying it.

Mr. Howard: I am afraid that I do not share the hon. Gentleman's premise. The 10,000 man days lost through strikes at GCHQ were 10,000 fewer man days devoted to protecting the defences of the country and reinforcing them with valuable intelligence activity. That is the point at issue.

Mr. Winnick: The ban was imposed on 26 January 1984. Is the shadow Foreign Secretary aware that, after the Falklands war, GCHQ employees were greatly praised by the director-general? Does that not show that, once again, GCHQ employees carried out their work properly? Some 18 months after that lavish and justified praise, the ban was imposed. Do the Conservatives plan to restore the ban, should they return to power?

Mr. Howard: There is no inconsistency whatever in the two points to which the hon. Gentleman referred. Of course employees of GCHQ did excellent and important work during the Falklands war. Of course it was right to pay tribute to that work. Of course it was wrong to have 10,000 man days lost through strike action. There is no inconsistency in those propositions.

The one area where the Government appear to differ from the Committee relates to the need for an independent element of scrutiny in reviewing files for destruction. The other recommendations of the Committee in respect of files and personal records have found greater favour with the Government. I have noted the reasoning behind the Government's reply, which is set out in paragraph 16 of their response to the Committee's report.

I have also read the report of the Adjournment debate secured by my hon. Friend the Member for New Forest, East (Dr. Lewis) earlier this year, and the Home Secretary's reply to it. In that debate, the Home Secretary delivered a comprehensive snub to the then Minister without Portfolio—now Secretary of State for Trade and Industry—who was reliably reported to have called for the destruction of his own files. In view of that Secretary of State's admitted membership in his youth of the Young Communist League, the House may well consider his call for the destruction of his files a piece of gut-wrenching hypocrisy. I appreciate that a number of my hon. Friends will have views on that proposal, and I want to hear them before coming to a firm view.

The Government are rightly more sympathetic to the Committee's decision to have available some investigative capacity of its own. We look forward to seeing how that matter develops.

Mr. Malcolm Savidge (Aberdeen, North): On a point of order, Mr. Deputy Speaker. May I ask whether the Secretary of State for Trade and Industry was informed that an attack was to be made on him before it was done as I believe is usual in the House.

Mr. Deputy Speaker (Sir Alan Haselhurst): That is entirely a matter for right hon. and hon. Members.

Mr. Howard: I am happy to allay the anxieties of the hon. Member for Aberdeen, North (Mr. Savidge). I did cause a message to be passed to the Secretary of State for Trade and Industry to make sure that he was fully apprised of the position.

Mr. Robin Cook: The right hon. and learned Gentleman did not tell me.

Mr. Howard: I did not do so because, to the great pleasure of the House, I know that when I oppose the Foreign Secretary across the Table he will be present in the Chamber in his usual place, and it is therefore unnecessary for me to give him notice.

The activities of the intelligence agencies in a democracy must be the subject of proper scrutiny. With the establishment of the Intelligence and Security Committee—and the holding of this debate—that scrutiny has seen significant advances in recent years. Her Majesty's Opposition will play our full part in that scrutiny process in an appropriately responsible way.

5.12 pm

Mr. Tom King (Bridgwater): Whatever our views may be on the operation of the intelligence agencies and of our need to scrutinise them, it is right—I speak on behalf of the Intelligence and Security Committee—to pay tribute to those who work for the Secret Intelligence Service, the Security Service and GCHQ. As a former President of the

[Mr. Tom King]

United States would put it, those people often put themselves in harm's way for our security. I certainly join in the tributes that have been paid to the staff of those agencies by the Foreign Secretary and the shadow Foreign Secretary, my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard).

As Chairman of the Intelligence and Security Committee, I welcome this first such debate, which is part of the parliamentary system and part of our parliamentary accountability. The Committee has a different structure. It is not a Select Committee, but a Committee of parliamentarians with responsibility for oversight of the intelligence and security agencies.

I appreciate the presence in the Chamber of the Foreign Secretary and the Home Secretary because, with the exception of the Prime Minister, they are the only people who can answer the debate by virtue of the nature of their responsibilities and the direct responsibility of the intelligence and security agencies to them. Much of their work cannot be delegated to more junior Ministers. Therefore, it is right for the Foreign Secretary and the Home Secretary to be here for the debate.

This is the first such debate, but it is the Committee's third report. However, it is the first report of the new Committee in the new Parliament. I have had the privilege of chairing the Committee throughout its years of existence, and I am grateful that a number of the Committee members were in the previous Parliament, so we have had a continuity of membership. I could not, for political reasons, say that we have had a welcome infusion of new members. However—granted that there would be a change of membership—I am very grateful to the old and new members for the role that they have played in what I am conceited enough to believe has been a successful and effective Committee. I am grateful to the Foreign Secretary and to my right hon. and learned Friend the shadow Foreign Secretary for the kind words that they have expressed to me personally and to the Committee.

This is the fullest report that we have produced as a Committee. I should like to express my thanks to our staff—led by Jonathan Allden—for the role that they have played throughout the past year. They have a lonely and independent role, because they are on secondment from the Cabinet Office and owe their allegiance to the Committee, a separate body. It is not the easiest of roles, and I am extremely grateful to them—as are the other Committee members—for the way in which they discharge it.

I owe an apology to the House, and to the wider public, for the content of our report, in the sense that—by nature of the reports that we publish—certain parts become totally unreadable because it is impossible to publish certain matters. The presence of asterisks in the most interesting places is perhaps best exemplified by the financial charts at the end of the report, which I insisted should appear. Someone suggested that we should just publish a summary but, with the support of the Committee, I insisted that the full charts appear.

Although not a single figure appears, the charts illustrate clearly that we had all the figures and the details. That was not the case in the first years of the Committee. It is a further illustration of the extension and evolution of the Committee's role that all those figures are now available. By looking at the headings, hon. Members at least know the subjects that we considered, including details, in terms of the SIS and the Security Service for example, of the payments to agents for information, and the different categories of information that we investigated and examined.

We are grateful in that respect for our relationship with the Comptroller and Auditor General and the National Audit Office. I pay tribute to my right hon. Friend the Member for Haltemprice and Howden (Mr. Davis), the Chairman of the Public Accounts Committee—who is in his place—for his Committee's co-operation, and for his support in ensuring that the Intelligence and Security Committee had access to information. We are grateful to him also for encouraging the full co-operation of the Comptroller and Auditor General and the NAO.

In our unanimous report, the Committee referred to a fundamental question, which was addressed by both the Foreign Secretary and the shadow Foreign Secretary: do we need the agencies any more? Is it not true that, for the past 45 years or so, the structure of the agencies has been concentrated on tackling the biggest threat that we faced—the threat of a major world power, in the shape of the Soviet Union, intent on the subversion of the western democracies and posing a threat to our democratic institutions, our existence as a country and the continuity of our alliances?

After the collapse almost overnight, of the Soviet Union and the Warsaw pact, the problems that faced Russia as an independent country caused people to ask whether the threat had ceased to exist and whether we needed the agencies to continue in the same form. Many suggested that the agencies had invented new threats to justify their existence.

The Committee examined those assertions as fully as we could and, as the Foreign Secretary said, the Government considered the matter in the comprehensive spending review, in which we took a close interest and played a part. The Government concluded that expenditure on the agencies should continue to be much the same as before, recognising the fact that new threats had taken the place of old threats.

Probably the biggest threat is the risk of proliferation—a major preoccupation of the SIS—in nuclear, chemical and biological capabilities, especially because missile systems have increasing ranges and may be within the reach of some undesirable and unstable regimes.

The threat posed by the collapse of old structures is most clearly seen in the former Yugoslavia. If we are to play a part in peacekeeping—in Bosnia or in Kosovo—asking British people to go unarmed to monitor difficult situations, the very least we owe them is the best possible intelligence of the dangers that they may face.

I have read only the brief headlines of Sir Michael Rose's account of his time in Sarajevo but, when I was Secretary of State for Northern Ireland, he was a brigadier commanding one of the brigades, and I should expect him to confirm that the dangers that he faced in Northern Ireland—during what was, in many respects, a hairy time—were as nothing compared to some of the risks, uncertainties and hazards that arose as a result of the violent and unstable elements in the former Yugoslavia.

The Foreign Secretary rightly paid tribute to the Security Service for its outstanding work in preventing what would have been two significant and hugely damaging IRA attacks in this country. However, the current extent of international terror is a sobering thought. Hon. Members may have read in our report the surprising fact that, on average, every month, there are 60 international terrorist incidents of one sort or another in the world. Those attacks may not impinge on us directly, but British citizens may be affected through hostage taking or other threats to our interests.

The increase in the drug trade and in international crime has been given a nasty new dimension by gangs from Russia, some of which include former KGB members. Their viciousness and their involvement in that nastiest of cocktails—drug trafficking—pose problems of a scale that we have not previously experienced.

Another new development, to which we referred only briefly in our report, is information warfare. Growing public concern about the millennium bug—a self-inflicted injury—has drawn attention to the wider problem. It may seem a harmless accident when a 17-year-old in Ealing hacks into the US Department of Defence computers on nuclear structures, or when innocent people amuse themselves by hacking as a hobby, but such techniques can be used as an instrument of aggressive activity by one nation state against another. That emphasises the importance of GCHQ's advisory role in securing our organisations and information structures against such attacks.

The Committee examined how the agencies allocate effort and decide on their priorities—in general, we supported their decisions. We also consider new issues—for example, what happened in Sierra Leone—as they arise. In that case, we examined the criticisms that were made about the lack of intelligence and the amount of support that was given to our high commissioner in an extremely difficult situation, involving not only the evacuation and safety of British citizens but relationships with outside companies and mercenaries.

My right hon. and learned Friend the Member for Folkestone and Hythe asked me to report on the interest that the Committee has taken in the matter. We have heard from Sir David Spedding, the head of SIS, and we have taken evidence from the chief of defence intelligence. We hope shortly to take evidence from Mr. Penfold, the high commissioner in Sierra Leone, and we shall consider the intelligence aspects of that affair.

Sir Peter Emery: Before my right hon. Friend leaves that subject, will he consider a matter that I do not think has arisen in the work of the Intelligence and Security Committee? Security matters are of considerable importance to the work of the Foreign Affairs Committee, which is responsible for looking at the conduct of the Foreign Office. The Committee, of which I am a member, will hear from the head of MI6 later this month but our invitation to security services involved with the Foreign Office has been declined.

Should not Select Committees be able to co-operate with the intelligence and Security Committee, so that, when a Select Committee is unable to obtain information, the matter could be passed to that Committee with its special relationship with Government? The Intelligence and Security Committee could then report to the Select Committee, so that the Select Committee would not be debarred from information that might be vital to its inquiry.

Mr. King: I shall speak about our role in oversight at the end of my speech; it may be relevant to my right hon. Friend's point.

A matter of particular interest—it has been the focus of the Committee's work this year and previously—is internal security in the agencies. The story has not been entirely happy on either side of the Atlantic. The most spectacular betrayals have been in the US—they led to the betrayal of British agents, too—but, as the Foreign Secretary said, and as the Committee identified, failures in security are no longer a result of ideological commitments. A deep commitment to the communist cause was the background to the famous British traitors and spies of earlier generations. Now, people are more likely to be seeking funds because they have financial or personal problems. The United States has also suffered as a result.

Secrets must be protected within an agency. People who give information to intelligence agencies are risking their lives. They will not do so if they believe that the agencies cannot be trusted not to disclose their name, address or background. One does not have to live in Northern Ireland to know what happens to people who inform. People will not take risks unless they are confident that the information and their identity will be protected. That is why that matter must be taken so seriously.

In some cases, we have lost information and secrets have been divulged—there has been a straight betrayal with the passing of information. People have breached their contracts, and the Official Secrets Act, in return for money. Staff have become disaffected because of grievances of one sort or another. The Foreign Secretary referred to two recent cases. People may, or may not, have been seeking payments from national newspapers for information or hearsay. Some cases have been the result of lax internal discipline and a failure properly to safeguard and classify information. Whatever the reason, all the cases matter.

The Committee has been trying not to chase after individual hares but to consider the fundamental issues that must be tackled. We have been, and will continue to be, critical of the agencies' attention to matters as elementary as personal security, such as random searches of people leaving buildings and ensuring that documents are secure. We have mentioned that problem in three successive reports. The most spectacular and awful CIA traitor carried shopping bags full of documents away, but no one checked or searched him. The result was the destruction—and execution—of the CIA network in the Soviet Union at the time, which endangered the life of Mr. Gordievsky, who was bravely passing on information.

We must not forget personal security and the boring business of continual vigilance, random searches, checking on people's concerns and taking an interest in people's personal circumstances. If an agency employee is divorced or has marital or financial problems, that may be a matter of national security concern. It is a difficult balance to strike. Agency employees are entitled to reasonable personal privacy. We cannot make their lives totally intolerable. With the benefit of hindsight, we can

[Mr. King]

see that incidents in this country and in the United States have shown that someone should have realised that there were problems and identified them. That is why the report deals also with recruitment, as care must be taken to ensure that people are suitable for employment in the agencies in the first place. Employees should be monitored so that stress and personal difficulties can be identified before they pose serious problems. There should be proper counselling.

If all else fails, people should be entitled, as far as possible, to the sort of employment rights that others expect to enjoy. I am glad that the Government have responded positively on that. That is why we recommended the setting up of some form of tribunal to replicate as closely as possible an ordinary industrial tribunal. It might have a lawyer as chairman, with the membership including an employer and a trade union representative. Surely and certainly in this country we can find people patriotic and trustworthy enough to hear any secret that the Committee can hear and deal with it in such a tribunal without prejudicing the information.

The Foreign Secretary and shadow Foreign Secretary mentioned files, but I shall leave that subject to my colleagues, as many have taken an interest in it.

GCHQ has considerable capabilities and it is no secret that they have increased substantially. New challenges exist, since new technology is also available to some pretty nasty and dangerous people, not least drug traffickers and some of the big new organised criminal gangs. GCHQ must have accountability structures that ensure that systems authorising the proper interception of communications match up to the new challenges. We must also ensure that the privacy of the individual, to which all law-abiding citizens are entitled, is properly protected.

GCHQ is a massive organisation with extremely sophisticated equipment. It has to operate 24 hours a day, seven days a week without a second of interruption. That is the nature of its undertaking. However, it is planning to move, and not all transfers of public or even Government activities have been a seamless robe. The organisational challenge of the GCHQ move is massive, as the right hon. Member for Berwick-upon-Tweed (Mr. Beith) has pointed out, and the Committee makes no apology for drawing the Government's attention to that fact.

Oversight has been a process of evolution. The Committee is a strange animal—like no other Committee in the House. It is a Committee of parliamentarians, but we report not to Parliament but to the Prime Minister, who tables our annual report for debate here. We are not a Select Committee and we have our origins in the Intelligence Services Act 1994. The Committee was established at the same time as it was first admitted we had the Secret Intelligence Service, and the SIS and GCHQ were given a statutory basis, barely four years ago, which seems incredible when one looks back through the history of the CIA's activities.

The two agencies came in from the cold. They were perhaps fearful that parliamentarians might not be entirely reliable: that they would become caught up in party political warfare or point scoring between Members of Parliament and that secrets would leak out. Committee members realised that, whenever a Bill is enacted, the legal arrangements set out therein are only the bare bones on which one has to build. We have taken the trouble to study other oversight bodies. The American system is massive. The Inspector General of the CIA has a staff of 140. Its former director, Jim Woolsey, told me that, during his three years in office, there was not one day when he did not have to give evidence on Capitol hill to one committee or another. We did not want to follow the model of oversight on that scale.

One or two countries are still managing to proceed heroically with no oversight whatever: one of them is not far from the channel tunnel; but I understand that it is considering the matter at present. Others set up oversight committees to which they appointed all the difficult squad who had made speeches about intelligence agencies and did not believe in them in the first place. The intelligence agencies made jolly sure that they told those people nothing, so there was inadequate oversight and open warfare.

We have recognised that we work within the ring of secrecy. We inevitably, have, a close relationship with the agencies, and I hope that we have established a measure of mutual respect, but not a cosy relationship, as that would prevent us from doing our job. We expect to be told everything and to have every question answered unless there are clear and obvious reasons—of national security or secrecy, as narrowly defined as they can possibly be—why such information should not be made available.

We do not expect the agencies to hide behind a narrow interpretation of the law, because to do our job we need the clearest possible picture. We try to ask only what is relevant to our purposes, and I believe that we have succeeded in ensuring that the information is kept secret. We have sought not to destroy or undermine the agencies but to ensure, in their own best interests, that their performance at all times matches the standards that the public expect of them.

The public often see the agencies as sinister bodies that are out of sight and out of ministerial control, operating in a world of their own. Public support can be fragile: on the occasions that the Foreign Secretary mentioned, there were banner headlines thanking God for our security services, and people were full of praise, but when something goes wrong and there is an allegation of a mistake, misunderstanding or compromise involving the agencies, people are quick to believe the worst.

Our job is to try to bring some balance and ensure that we can investigate when there are serious grounds for public concern. That is why we have proposed an investigative arm: in certain circumstances, we need the ability to verify. When a situation arises that gives serious cause for public concern, the public often react to a statement by the head of an agency by saying, "He would say that, wouldn't he?", and if Ministers merely repeat an assertion from an agency head whom the public suspect of putting his agency's interests first and defending its position, the necessary public reassurance is lacking.

We shall not be able to help matters unless we can say that we have investigated the allegations, with full access to all the relevant information, and that we are satisfied either that a charge needs to be answered or that the charge is merely malicious and unfounded. Then we can speak with the unanimous, all-party voice of our Committee, which will carry the authority that the agencies are entitled to expect.

I am grateful for the Government's positive response. We shall see how we go, because I well understand the nervousness and uncertainties, but I believe that an investigative arm is the correct next step in the development of oversight. It will be good for the agencies and attract public support and give our reports the authority that they need to meet any circumstances that may arise.

Oversight is the heart of our work. We need to have appropriate openness and oversight of a world of activity that is necessarily secret and essential to our country's ultimate security. We have made a start down that road; I do not pretend that we have reached the end of it. That is the sensible way of proceeding, and I believe that the existence of the Committee and its successive reports will create some public confidence and awareness that there is accountability in the agencies, that they serve our country well and that the systems under which they operate are appropriate to their activity.

5.45 pm

Mr. Allan Rogers (Rhondda): On behalf of all the Committee members, I pay tribute to the Chairman for his extremely hard work. His knowledge of the ins and outs of Whitehall has been invaluable in achieving what we all regard as an evolutionary process. I know that he would confess that, on occasion, he has been a little irritated with me when I have wanted to proceed a bit more quickly with that evolutionary process than was possible under the previous Government;, but now we are moving apace. Members of the Committee are unanimous in their desire to make progress on oversight.

Some of us—although not the Secretary of State for Trade and Industry or the Minister for Defence Procurement—who served on the Intelligence Services Bill when it was outed are present today; the Chairman of the Public Accounts Committee, who is here, was then one of the Foreign Office Ministers responsible for the legislation. The Government of that time were very brave in outing the security service with the Security Service Act 1989 and then the Intelligence Services Act 1994, but they were a little hostile to some of our suggestions.

Some of my hon. Friends may be anxious to reproduce some of the words that I uttered in 1994 promoting the idea of a Select Committee; perhaps I can pre-empt them by drawing attention to the fact that the Government accepted only one of dozens of amendments, if not more than 100, that I tabled on behalf of Her Majesty's Opposition of the day. That amendment increased the Committee from six to nine, which was a very wise step. The easiest way to describe the rest of my experience is that it was like running up against a brick wall.

The Government of the day were determined to move. I remember speaking to a senior member of MI6. I said, "I suppose you wrote this Bill, Sir Colin." He replied, "No, I didn't write it, but I did give a job description." That was the extent to which the agencies co-operated. It is important to remember that the agencies wanted a system of oversight, and co-operated in developing it. That was as far as we could go in those days. Since then, a critical development has been not only that the agencies trust the Committee, but that we are beginning, in some ways, to trust them.

We must also have the trust of our parliamentary colleagues, because without it we cannot properly oversee the agencies. At the press conference last week, a gentleman from the press asked whether we regarded ourselves as poodles of the agencies. I jumped in, with my big mouth, and said, "Yes." Everybody clapped and reported my comments, but they did not say that I added that we could be regarded as poodles if the present system continued.

One of my colleagues answered the question by saying that he was nobody's poodle, but he could have added that, under the present system, nobody would know whether we were poodles, because we get only the information that the agencies want to give us. We have a question and answer system, and we can investigate, but if the agencies hide behind reasons of national security or the risk of endangering the lives of agents in operations, we have to accept that and go no further. In that sense, we cannot perform our task of oversight properly, but the system is evolving and slowly moving forward.

As the Chairman of the Committee has said, one of the most important aspects of the report is the Committee's realisation that it is necessary to extend our powers, within the parameters of the present Act and the ring of secrecy, to include an investigative arm. We must develop that aspect of our work, but it is not intended that every member of the Committee should charge into MI5, MI6 and GCHQ and demand to see the books and lists of agents.

One suggestion is that the Committee should use someone who operates, or has operated, within the ring of secrecy to act on the Committee's behalf. That would protect the secrecy that the agencies require to carry out their work, but the Committee could be confident in its conclusions if, for example, any allegations were made about an agency's conduct.

Fellow parliamentarians should not think that we do not have heated debates on these contentious issues. We have long and difficult discussions on how the Committee's role should develop. We have had strong debates on the possible adoption of a Select Committee style for our proceedings.

The right hon. Member for East Devon (Sir P. Emery), who intervened at some length, is not in his seat now, but I can tell him that we have examined whether the Committee impinged on the functions of the Foreign Affairs Committee over the issue of Sierra Leone. All we are interested in is whether the intelligence systems worked. The Committee is not concerned about the politics of the incident, but we want to discover whether the Foreign Secretary, the High Commissioner and the other politicians involved were in receipt of fresh intelligence at the critical times.

There is obviously an interface between our role and the role of the Home Affairs Committee, which has a general responsibility in the area of crime. The previous Home Secretary asked the Home Affairs Committee to consider whether MI5 should be involved in the investigation of serious and organised crime, and it concluded that the police should be the body that investigated crime. However, MI5, with its peculiar talents and abilities which are not available in the police force, should be available to help.

If we cannot harness every aspect of the state against drug traffickers and other evildoers, what hope is there for our communities? Some have suggested that there is jealousy between different Committees, but I say that we must work together. The virtue of using MI5 in the

[Mr. Allan Rogers]

investigation of serious and organised crime is that it has abilities and qualities that allow it to take a long-term view. It does not have to bring the criminals to account and follow them through the judicial process, because that is the responsibility of the police and others, such as Customs and Excise. For the Committee to do its job properly, it must evolve slowly along those lines.

Mr. David Davis (Haltemprice and Howden): The hon. Gentleman kindly referred to my involvement in the original creation of the Committee. Now that I am not fettered by ministerial shackles, I can say that it was always my understanding that the Committee would develop and grow into the job. I strongly support the Committee's proposals for an investigative power, but does the hon. Gentleman recognise that the example he just gave of the overlap between the Committee's responsibilities and those of the Home Affairs Committee clearly demonstrates the specific powers that his Committee already has? That shows the experiment's worth.

Mr. Rogers: I wish that the right hon. Gentleman had been a little more positive back in 1994 and given us the benefit of his wisdom during the passage of the Act, because we have lost four or five years; but I accept his conversion with good grace.

The right hon. Member for Epsom and Ewell (Sir A. Hamilton) is not in his seat—although I think he poked his head in a little earlier—but I recall his arguments early in the Committee's life about whether intelligence should be a free good. *[Interruption.]* I apologise to the right hon. Gentleman, who is present after all.

I was impressed when I first joined the Committee by the range of the work that the intelligence agencies undertook, which is used by other Government Departments in pursuit of their functions. The right hon. Gentleman rightly asked whether such work could be done by other people more efficiently, and we had lengthy debates about the issue. I pay tribute to the right hon. Gentleman and his colleagues, some of whom have lost their seats, for the work they did.

The Committee started from scratch, and even now is still involved in a learning process. Our work load is so heavy that we have had to divide the responsibilities. I know that other colleagues will speak about specific issues, but I wish to make the point about the Committee's evolution because I have been involved from the beginning. I have been especially concerned about changes in priorities, given recent geopolitical changes.

The development of new priorities, and a change of emphasis in the work of the Committee since the end of the cold war, has made it content that the agencies should operate within the general parameters of the law with proper accountability and warranting. During our discussions in the Standing Committee that considered the Bill, in which we had considerable help from John Wadham and Liberty, we covered the peculiar area of warranting. We considered actions that might be illegal and for which, in certain circumstances, a warrant might be required. The Committee was satisfied by its dealing with the heads of the services that the agencies act circumspectly in those circumstances.

My final point concerns defectors and dissatisfied people, a matter of long discussion in the Committee, to which I am sure some of my colleagues will wish to refer. The Foreign Secretary and the Chairman of the Committee were quite right to emphasise that chequebook treason—there are no other words for it—is prevalent today.

One person wrote to a newspaper to say that we had not sought to protect whistleblowers, like himself, who spoke out in the public interest. I am wary of those who claim to be whistleblowers in the public interest, but who accept £80,000 or £100,000 or a contract to write a book. If they are speaking in the public interest, let them not go into the marketplace to sell their souls and their country's secrets for money.

If the individual to whom I have referred had wanted to speak purely for the love of country, there are mechanisms by which he could have done so. I accept that the mechanisms are not perfect, and the Committee has considered that point. We have suggested industrial tribunals. Perhaps the Home Secretary would consider the whole structure of the security commissioner and the bodies that exist in this area. Perhaps they need modernisation to meet changing aspects of chequebook treason. We must bring the mechanisms up to date. If people want to act in the public interest, they need not accept money for it.

It will not always be possible to prevent treachery or betrayal of national security. It will not always be possible to prevent jeopardising the lives of colleagues, agents who are operating in dangerous situations. The Committee's responsibility is to set up systems to allow people to have, for whatever reason—a defect in their personalities, perhaps, or simply the fact that they cannot cope with the job into which they have been recruited—a sympathetic hearing outside the agency. That would allow them to feel that they could do something. If we can set up such systems, we shall have a better overall system of oversight and accountability.

6.2 pm

Mr. A. J. Beith (Berwick-upon-Tweed): I join other speakers in paying tribute to the work of the right hon. Member for Bridgwater (Mr. King), the Chairman of the Committee, and to the staff of the agencies for their work. Some of that work is courageous, and some shows outstanding skill and dedication. Much is extremely valuable, done with commitment to the welfare of the whole community, and often with a full awareness of values that matter to me, such as civil rights and liberty. Many employees of the agencies are fully aware of those values, which form a part of their own thinking.

There is no doubt about the need for and the value of intelligence, if it is well used. I say, "well used", because an awful lot of money and intelligence has been wasted over the years. One need think only of the years running up to the Falklands war to realise that effort can be wasted and intelligence not properly used. If used properly, intelligence saves lives, prevents acts of war or terrorism and arms us against the dangers of those acts. It helps us to catch highly dangerous terrorists and criminals. It can prevent costly errors.

Threats continue, even though the cold war is over. Espionage continues among those who have traditionally practised it—including Russia. Instability in parts of the

former Soviet Union is worrying. A proliferation of nuclear and biological capacity has resulted partly from the break-up of the Soviet Union, and partly for other reasons. British troops find themselves in extremely dangerous situations, in which they deserve intelligence support. Drugs and crime on an international scale are issues on which the agencies can make a valuable contribution, although they are not the bodies primarily responsible for dealing with those problems. The threats of information warfare are serious. There is always a continuing threat of betrayal of our defensive capacity.

To Liberal Democrats, the world of intelligence is by nature both important and challenging. Intelligence protects civil rights about which we care. It also impinges seriously on those rights, using methods that deny some element of civil rights such as invasion of privacy. It permits Governments to undertake actions and policies without public knowledge. It may allow actions to be taken which, if widely known and discussed, would not have public approval.

Secrecy can allow agencies to pursue their own agendas independently of Government, perhaps because of excess of zeal or because of partisanship within an organisation—the charge levelled against MI5 during the Peter Wright controversy. MI5 has a legal position different from that of other agencies, because it is not merely tasked, but makes its own judgments about what the threats to the state are.

Most of the charges were based on a much more heavy-handed approach to matters of domestic subversion than is contemplated nowadays. They are part of history more than of the present, as the law specifically precludes the agency from acting in the furtherance of the interests of any political party. The situation has changed significantly since those allegations were made, although the possibility exists nevertheless.

In secret, inefficiency can flourish and resources can be wasted. We must find a way to scrutinise the service without destroying secrecy. That is difficult. In some areas of operation, to disclose the existence of an activity is to make that activity's continuance impossible. I do not see why an individual whistleblower or a member of a committee should take it upon himself or herself to decide that an activity is unacceptable and should be ended, and to make an announcement or put a story in a newspaper. Such a decision must be taken by more than one person, and we need a means at every level by which actions may be tested by a range of people with possibly differing opinions. Our current mechanism is a genuine and valuable attempt at that.

While on the subject of secrecy, I want to ask one question. Is there an unnecessary culture of secrecy, and does the secrecy go too far? Certainly, that has been so in the past. The existence of the agencies was once denied, as other hon. Members have said. While we pretended that we did not have an intelligence service, the Russians knew perfectly well that we did, and they knew all its principal managers, too. People wrote books about the agencies. There were factual books and fiction: often there was more fact in the fiction, mainly because some of it was written by ex-employees of the agencies. It was absurd that we pretended that these organisations did not exist.

The culture has changed, partly under the impetus of cases and anticipated cases under the European convention on human rights. It is welcome that we now recognise the existence of the agencies, and that they must be scrutinised, but the Committee had to show that it can be taken into the agencies' confidence. The Committee has shown that it does not leak. Former members of agency staff, and even ex-Ministers, have done more to leak the work of the agencies than anything done by the Committee.

The culture of secrecy owes more to a desire to protect sources in dangerous circumstances than it does to an instinctive wish not to have people knowing about the agencies' work. The idea that, "Your identity is safe with the British," is a valuable byword in the difficult world of intelligence gathering. The Ames case, in which many American agents were compromised and met an awful fate—thankfully, no British agents did—explains the obsession with secrecy that sometimes goes beyond what most would think sensible. It is a way of communicating to those who might help this country, in dangerous situations, that their secret is safe with us. One can understand that, but it cannot be an absolute bar to mechanisms of effective scrutiny, or to the public knowing things that it is reasonable they should know.

Is the present formula right, of a Committee of parliamentarians within the ring of secrecy reporting to Parliament through the Prime Minister? We have always advocated a specially chosen parliamentary Select Committee, possibly a Joint Committee of both Houses. The present Committee is a Joint Committee with only one representative from the upper House.

It remains our objective to obtain a body that is a Select Committee of this House, but it can never be the same as other Select Committees. I have advocated that for many years, first in a lecture in 1968. I took part in debates, and introduced motions, in favour of some such committee structure in the 1970s, 1980s and 1990s. The Liberal-Social Democratic party alliance tabled an Opposition day motion in favour of such a committee in 1986. It took an awful long time to get to where we are. In 1986, I said that existing Select Committees

"clearly cannot be the exact model for a body that must operate in a much more restricted way."—[*Official Report*, 3 December 1986; Vol. 106, c. 985.]

If we moved immediately to a Select Committee, what advantage would we gain? The main issues are direct reporting to Parliament and the ability to call for persons and papers. If it was a Select Committee that reported directly to Parliament, I do not think that there would be a significant difference from what happens now.

The Committee's reports come before Parliament formally with deletions. Such deletions would have to be made by some mechanism, even if they did not go through the Prime Minister. The Prime Minister is forced to pay attention to the parts of the report that are not published as well as to those that are. It is open to the Committee to report to the Prime Minister on an issue on which it cannot report to Parliament at all, because every aspect of it requires the protection of secrecy.

I am not sure that any great gain would be made in respect of reporting to Parliament, but what about the power over persons and papers? If a Select Committee was carrying out the role, the same arguments that confront many such Committees would be encountered, but more often. The authorities would have recourse to

[Mr. A. J. Beith]

the argument that something was "advice to Ministers" or that there were "operational reasons". One or other would be used frequently.

The mechanism suggested in the report, adding an investigative capacity to the existing Committee, is likely to take us further forward, at least in the short term, than an immediate move to a Select Committee. Indeed, I think that we would take a step backwards in the short term if we were to move to one now.

I say that without prejudice to the possibilities of getting to that destination in future. The confidence that has been built; the fact that we do not need a legislative change—or even a change to the House's Standing Orders—to take the steps advocated in the report; and the Government's favourable response lead me to believe that, if the objective is immediately to get more effective scrutiny, we will serve it better if we get on with that task now and leave the Select Committee issue for a later date.

The investigative capacity is important, because it is not possible to deny some of the assertions put to the Committee, or give firm reassurance that all is well on some matters, without being able to check the papers fully. Such a capacity is not foreign to our system. The commissioners who review the carrying out and issuing of warrants for interception have such a capacity. It has caused no problems. They make judgments based on careful review of the detailed papers. There are no barriers to their examining papers, and one has greater confidence in their judgment because of it.

I shall briefly consider Government communications headquarters at Cheltenham, though my hon. Friend the Member for Cheltenham (Mr. Jones) will understandably seek to catch your eye, Mr. Deputy Speaker, not least because many of his constituents are employed there.

GCHQ is an important place for Cheltenham. I hope that it can stay there, where it has such strong community support and is closer to the homes of the thousands who work there than any other site would be. I share my hon. Friend's welcome for the Government's reversal of the ban on trade unions. The ban put GCHQ on the front pages of newspapers all over the world—not a sensible thing to do with a sensitive institution that likes to get on with its work with the minimum of publicity. The decision backfired dreadfully on the Government who took it, and on the country's interests.

I intervened on the Foreign Secretary to point out that it is ludicrous that, at the time of the biggest ever GCHQ investment decision, there were four directors. None was removed for incompetence—they retired or were promoted. What business, confronted with such a major investment, would do that at such a stage? That suggests to me that the Government's promotion policy, of grabbing whoever it can for whatever job, without regard to the institutions they are managing, is not sensible.

On warrants, I remain of the view that giving authority for interception of communications and intrusion into people's property and private lives should be a task for a judicial or independent body, not a Minister. The sanction for such intrusion is more appropriately given by someone who is not part of the Executive and does not have Executive responsibility. We have accepted that principle, and fought for it, in respect of the use of such powers by the police. In the closing days of the previous Parliament, a fierce battle took place. My right hon. and hon. Friends in both Houses can claim credit for insisting on a judicial form of examination of authority for warrants for such intrusions.

The long-established system for the Security Service and the intelligence service is that Secretaries of State give the permission. I know what care they attach to that, how they examine cases individually and do not delegate. The Committee examined them very thoroughly on the matter. However, the final process of approval should have an independent judicial element: a review not merely of the process as a whole, as happens now, but of the decisions when they are made. That is the practice in many other countries.

I have two concerns on files. First, there should be more protection for individuals on whom files may be held. The Committee says in its report that it wishes to do more work on that. It is a serious matter, but I hope that concern will be less fevered, because there is no longer a practice or policy in the Security Service of investigating broadly political subversion as it was viewed in earlier decades, when persons present became the subject of files. Nevertheless, it is a matter of such importance that we should seek ways of getting more protection.

Secondly, the Government are plain wrong in their response to the proposal for independent review of files that are to be destroyed. They are records of how the service operated, and may have individual liberty implications. In their otherwise constructive response to the Committee's report, the Government state:

"the Government does not believe that the process of reviewing files for destruction would be assisted by independent scrutiny."

Their argument is that it would not be appropriate because

"it would involve second guessing decisions that the Service is required to make".

That is not true. It is not second-guessing the service's operational decisions but deciding whether a file on a decision that the service made years ago should continue to exist, the service having decided that it has no further need of it. That is not second guessing, but a decision about an historical record which should be independently taken. The danger is that the service could, knowingly or unknowingly, destroy evidence that would demonstrate both the good and the bad things about its previous work, which would be wrong.

I draw my final comment from the report of a royal commission set up in Canada, which published a report in 1981 on "Freedom and Security under the Law", setting out the principles that should govern the Canadian security service. Four of the five principles that it set out were that the rule of law must be paramount; that the means of investigation must be proportionate to the gravity of the threat; that the need for investigative techniques must be weighed against the damage that they might do to personal freedom and privacy; and that, the more intrusive the technique, the higher should be the authority to authorise its use. Those are good principles. By and large, they are practised in our three agencies, but they could be written in larger and brighter letters, or incorporated into the agencies' mission statements.

The use of intrusive methods should be limited to special or overriding circumstances. The carrying out of operations of which only a few people are aware can be justified only in exceptional circumstances. The

mechanisms by which those matters are examined should be equal to the difficult task, in terms of both oversight and how the Executive handles them. Such principles could usefully be added to the vocabulary of statements that govern our services. The rule of law should be paramount; the means should be proportional to the gravity of the threat; we should weigh the techniques that we use against the damage that they might do to freedom and privacy; and, the more intrusive the technique, the more carefully it should be scrutinised.

6.21 pm

Mr. Chris Mullin (Sunderland, South): I welcome this debate, which is another small step towards rendering our intelligence and security services democratically accountable, and I look forward to its becoming an annual event. I also welcome the gradual removal of some of the unnecessary mystery that has surrounded those organisations in the past, particularly the detailed statement on 29 July by my right hon. Friend the Home Secretary on the number and status of the files held by the Security Service. One must pinch oneself to recall that my right hon. Friend was once identified as a potential subversive and was once, as the right hon. and learned Member for Folkestone and Hythe (Mr. Howard) said, the subject of such a file. It must be satisfying now to find himself in charge of the Security Service—a responsibility that he takes very seriously.

I welcome the latest report from the Intelligence and Security Committee. It is a serious piece of work. May I make it clear that, although I am critical of the mechanism by which the security and intelligence services are accountable, nothing that I say should be read as a criticism of the right hon. Member for Bridgwater (Mr. King) and hon. Members on the committee, who were obviously working conscientiously within the powers available to them. People who serve on such committees sometimes have the distressing tendency to go native after a while. Parliament should be constantly on the alert for symptoms. I have been listening carefully to this afternoon's debate, in which one or two speeches occasionally strayed a little close to going native, but nobody could actually be accused of it thus far.

Today I shall address only one issue: whether the existing arrangements are the appropriate mechanism for rendering the security and intelligence services accountable in a mature democracy. For the avoidance of doubt, let me say at the outset that, provided that they are properly managed and accountable, the intelligence and security services have an important and legitimate function in a democracy. The difficulty has been that, until the advent of the ISC, no one outside the services had a clue as to whether they were properly managed. To put it mildly, such snippets of evidence as emerged from time to time did not inspire confidence. Political oversight was always a fiction in the past. It was always ludicrous to imagine that, with the best will in the world, the Home Secretary or Foreign Secretary, let alone the Prime Minister, had time to take a close interest in what the agencies got up to.

For the purposes of today's argument, however, I am prepared to accept that MI5, at least, has cleaned up its act in recent years. Some time ago, a former Conservative Home Secretary remarked to me that a great deal of dead wood had been cleared out since the scandals of the 1970s and early 1980s. I was glad to hear that because there was certainly no shortage of dead wood. I am less sure about MI6. I may be wrong and I make no allegations, but it is hard to believe that MI6 had no hand in reinstating the regime in Sierra Leone, which is now busily murdering its enemies. If I am right, one cannot help wondering who authorised it, as it does not seem to have been the Foreign Secretary.

If the public are to have confidence in the security services, it is important first to be certain that they are protecting democracy rather than attempting to subvert it, as they have done in the past. Secondly, we must be confident that we are getting value for the considerable sum—currently some £700 million; I hope that no more is hidden away in other budgets—that taxpayers contribute to the upkeep of the Security Service. We want reassurance that that expenditure is all strictly necessary, especially given that the cold war has ended and, with it, a considerable part of the services' reasons for existence.

It was an unlucky coincidence that, just as the Berlin wall fell, both the Secret Intelligence Service and the Security Service moved into lavish new headquarters on either side of the River Thames. Furthermore, if the war in Ireland is over—I appreciate that it is much too early to say yet—another large part of their work load will disappear. In such circumstances, there should be scope for a little downsizing, to use a phrase that is popular in the City of London.

I am glad to see from figures published in the report that some savings have already been made. There is always the danger that the agencies will invent new tasks, or expand into areas into which they should not expand, in order to make work for otherwise idle hands.

Mr. Rogers: My hon. Friend has made some fairly sweeping statements without giving illustrations. Would he care to give us some to support his generalisations?

Mr. Mullin: I am not sure what my hon. Friend is referring to, but if it is expansion into other areas, I suppose that one possibility is expansion into serious crime. It only requires vigilance; I am not making a big deal of it. In 1996, I served on the Committee that considered that authorised that expansion, and the authorisation was very general. The crime that the service was, in theory, allowed to become involved in investigating was not all that serious, but I am sure that what it actually investigates is, and that the number of officials involved is relatively small.

Mr. Rogers *rose—*

Mr. Mullin: I am sorry, but other hon. Members want to speak this afternoon. My hon. Friend asked me to offer an illustration. My response is simply to say that the authorisation in the Bill was a little general.

Public confidence requires rigorous scrutiny, and it is Parliament's job to provide it. The question is: do we have it? As I have made clear, I do not wish to cast aspersions on the right hon. Member for Bridgwater and his colleagues, who are doing as good a job as we could hope for with the powers that they have been given. However, are those powers adequate, and is the relationship with the agencies correct? Reading between the lines of the ISC's report, and having listened to what the right hon. Member for Bridgwater said, I see that the Committee itself

[Mr. Mullin]

appears to have doubts. For example, at paragraph 58, it says that it cannot express a view on the effectiveness of the commissioners and tribunals

"since we have not had access to the material to enable any judgment to be made."

At paragraph 65, the Committee says that it has not yet formed a view on whether its existing status is adequate. I was glad to note that, in a section headed "Further evolution of the UK oversight structure", the possibility of changing the Committee's remit in due course was left open.

I welcome all that. As the right hon. Member for Berwick-upon-Tweed (Mr. Beith), said, it is an evolutionary process, and we are all learning as we go along. For what it is worth, it is my firm view that the Committee's existing powers are inadequate. It is a fundamental principle in a democracy that those who spend public money and exercise power should account to an elected Parliament. The Select Committee system ensures that the work of every Department is scrutinised by Members of Parliament, who are, in theory at least, appointed by Parliament, and can be removed only by Parliament. Each Committee employs its own staff, and each has the power to summon people and papers as it sees fit. Although that power rarely needs to be used, it defines the relationship between a Committee and the Department whose activities it is responsible for scrutinising.

The relationship between the Intelligence and Security Committee and those whom it is supposed to scrutinise is entirely different. First, this Committee's members are appointed not by Parliament but by the Prime Minister, who can remove or fail to reappoint them as he sees fit. Secondly, it does not employ staff of its own, but it is serviced entirely by officials in the employ of the Government. Thirdly, it has no power to summon people or papers; it must take what it is given. How can there be effective scrutiny when the body that it supposed to be the subject of such scrutiny can ultimately decide what will and what will not be disclosed?

I realise that some will protest—indeed, I have heard several people say this during the debate—that everything is working smoothly so far. That may well be so, but the new arrangements have never really been tested. We have not yet experienced a crisis: we have not had a Zinoviev letter, an operation Clockwork Orange, a "Spycatcher" or a miners' strike. In any event, we may have to wait for years before some disaffected ex-employee of one of the agencies reveals that things were not going quite as smoothly as we all thought at the time.

It is essential to get the mechanism right at the outset. After that, everything else will fall into place. I firmly believe that the ISC should be a Committee of Parliament, appointed by Parliament, with the same powers and facilities as a Select Committee. That is the only way to create public confidence in the integrity of the security services. When the right hon. Member for Berwick-upon-Tweed asked what the Committee needed, one thing that he did not mention was public confidence. I am referring not just to what is actually happening, but to its perception in the world outside. I do not think that the importance of that should be overlooked. There would, of course, have to be special arrangements recognising the need for secrecy and security, but that is not an insuperable problem, and should not be used as an excuse for doing nothing.

I might add—others have mentioned this—that, until not so long ago, my view was the official Labour party view. Like my hon. Friend the Member for Rhondda (Mr. Rogers), I was a member of the Standing Committee that considered the Bill that became the Intelligence Services Act 1994, which set up the ISC. I vividly recall that, at that time, the position of our Front Benchers was that oversight of the security services should be the responsibility of a parliamentary Committee. I have a list of quotations from Labour spokesmen, some of whom are now senior members of the Government, espousing exactly the view that I am now advancing. I shall not embarrass anyone by reading out those quotations, although I am tempted to do so; but let it not be said that my view is held only by a small minority of extremists.

My point—and it is a matter of record—is that the security services have run rings around all previous Labour Governments. Past Labour—and, for all I know, Conservative—Home Secretaries, Foreign Secretaries and Prime Ministers have been systematically misled, and even spied on, by the very agencies of which they were supposed to be in charge. I do not allege that that is happening now, but the only way to be sure that it never happens again is to set up an effective system of parliamentary accountability—and that we do not yet have. Such a system is also in the interests of the security services, which will never entirely enjoy public confidence until they are properly accountable. If they are wise, they will not stand in the way of proper accountability.

As my right hon. Friend the Home Secretary is aware, the Home Affairs Committee has long taken an interest in the matter. Our first report on the accountability of the security services was published four years ago, under a previous management. In this Parliament, we have raised the matter with my right hon. Friend several times, and I am grateful to him for not ruling out the possibility of change. I urge him to keep the door open, for the issue will not go away for as long as the present inadequate arrangements obtain. I realise that the Government have other priorities for the time being; I only hope that we will not wait until some future scandal makes change inevitable.

6.34 pm

Mr. David Davis (Haltemprice and Howden): I, too, praise the agencies that the ISC oversees. They have done a great deal in the past to defend the country's freedoms and civil rights, and, no doubt, will have to do the same job equally effectively in the future.

I did not intend to comment specifically on the committee's work, but I want to respond to what was said by the Chairman of the Home Affairs Committee. I have considerable respect for him, but in this instance I think that he is wrong. I was one of the Ministers who brought the committee into being when the Bill that became the 1994 Act was going through its stages, I have been a customer of the agencies in the past, as a Minister, and—somewhat unusually—I have even appeared before the Committee. I can testify that it was not a comfortable or an easy process, but a process that demonstrated that the Committee was after the truth, and, in the widest sense, concerned with the country's interests.

I am very much in favour of what has happened so far. I compliment the Committee on its operations and, in particular, the effectiveness of its Chairman, my right hon.

Friend the Member for Bridgwater (Mr. King), during its first four years. I support the arguments put by my right hon. Friend and the Committee's members, including the right hon. Member for Berwick-upon-Tweed (Mr. Beith), recommending the committee's development through its investigative capability. I feel that such progress would have no down side and a considerable up side, and would add to a public confidence that is already well established.

What I want to say is narrow in scope. It relates principally to points raised about the National Audit Office and its actions in support of the Committee. As such, it will be dull in comparison with the Hollywood, not to say James Bond, references of the Foreign Secretary—although, by the standards of the auditing profession, it will be unbearably exciting.

On page 10 of its report, in paragraph 21, the Committee says:

"We were told . . . that no value for money project work in respect of the Agencies had been carried out over the past few years".

That, although accurate, gives a slightly unfair impression. The financial audit of what are, effectively, the public accounts of the agencies dates back only to 1995, and it is the financial audit that often provides the understanding, insight and, indeed, intelligence to make a good value-for-money exercise possible. It takes a little while for that to develop. There is also a problem of limitations on capacity to which I shall return shortly.

On page 11, in paragraph 23, the Committee says—and I wholeheartedly agree—that

"there should be a specific obligation on the Agencies to inform the NAO"—

the National Audit Office—

"of material items of expenditure";

and that

"the arrangements for the disclosure of information by SIS, approved by the Foreign and Commonwealth Secretary, should be brought as far as possible into line with those of the Security Service, specifically in providing for the C&AG to be given the reasons for any refusal to provide him with information".

I consider that a wise proposal. Although it is pretty technical at this stage, because there has been no such occurrence, it will be useful in the future.

In the same paragraph, the committee states that

"in view of our own statutory responsibility to examine the Agencies' expenditure, formal provision should also be made for the disclosure of information and reports by the C&AG to this Committee, in consultation with the Chairman of the House of Commons Public Accounts Committee."

The Government accepted that, and I agree entirely with their proposal. As my right hon. Friend the Member for Bridgwater has said, we have had informal discussions on the matter.

We should not, however, have too high expectations of value-for-money studies. In intelligence and security matters, value for money is no magic wand. Normally, it depends on a determination of whether the maximum value has been obtained for the minimum cost. That means that we have to assess the value of what is produced. The "value" half of the equation is difficult to assess with intelligence and security. It is rather like research and development. Once, when I worked in that sector, I was told that some hits justify a lot of misses. The same rule applies here.

What is more, the value of the information, even with a hit, is difficult to assess—even more difficult than in commerce. Take the example even of the apparently hard technical data that the agencies sometimes bring up. We know—certainly my right hon. Friend the Member for Bridgwater will know from previous experience—that, on occasion, we can demonstrate the saving of hundreds, even thousands, of lives in wars in living memory; so clearly value has been obtained there, value beyond price, but with narrow exceptions, even that sort of technical data depends on information about intentions or deployment.

I pose a hypothetical example to demonstrate my case. Let us imagine that the agencies find that a foreign power has a nuclear, biological or chemical missile system that is capable of attacking a British city. If we determine that there is an intention to use or to deploy it as a threat, that information is invaluable—again, valuable beyond price because it will save thousands or millions of lives—but if there is no intention to deploy or no clash of interest, it is interesting to us, but of little national value.

In these days of military stretch, decisions on soft data are necessary. We cannot make decisions that take into account every possible risk; we know that already. Also, in these days of international uncertainty, those decisions are, by definition, difficult and it may be impossible to demonstrate whether they are right for several decades afterwards.

Today, we could probably make a decent assessment of the intelligence gathered in the 1970s through to the early 1980s. I am not sure that we could make a proper assessment now of intelligence that was gathered between, let us say, 1985 and 1995, so it is difficult to assess the value of the information that we get. It is even more problematic in those areas—this happens quite commonly with the agencies—where soft data are used in judgments in conjunction with much other public data, or much other data obtained by normal means. That means that, for the National Audit Office's actions to help the Committee, value-for-money studies will tend to focus on cost control, on coming to the conclusion that we have obtained whatever it was that we wanted at the minimum possible cost, with no wastage; the very point that the Chairman of the Home Affairs Committee has made.

I have discussed this with the Comptroller and Auditor General. There are appropriate value-for-money studies that might deliver some useful information for the Committee—the House will understand if I do not elaborate on them—but I say as an aside that my right hon. Friend the Member for Bridgwater pointed out some of the problems that some agencies in other countries have had with excessive bureaucracy: a sort of sclerosis of the agencies involved. I would be wary of trying to second-guess absolutely everything that is done because we might then destroy the flair of the agencies.

Mr. Campbell-Savours: The right hon. Gentleman has an important role in these matters. It may be that a productive intelligence can be secured at a fraction of the cost simply by looking at open sources. The question that we have to ask ourselves is: how can we be absolutely

[Mr. Campbell-Savours]

sure that, in securing that intelligence, the cheapest means of securing it has been used? That is very much a matter for the National Audit Office.

Mr. Davis: I absolutely agree; that was my point about obtaining the intelligence at minimum cost. It is what I refer as to as the Mossad rule. The previous head of Mossad once commented that he was not going to spend Israeli taxpayers' money or risk the lives of his agents on obtaining things that were on the front page of Al-Ahram, the Arab newspaper. It is a well-taken point, but my point is that that is not strictly a value-for money exercise; it is a cost-effectiveness exercise.

There is one other area of value for money that might deliver significantly more than what I have discussed already: comparison with other allied services abroad. That would require international agreement, but I could think of three or four other services that might be interested. However, such an idea, if it were possible—and I do not know whether it is—would require a separately financed exercise.

I say that because it is not the entire National Audit Office that is engaged in this process. By definition, this is a process that uses a small cadre of the NAO—those who are cleared to the level necessary. To extend that cadre would be expensive and would need funding.

In this assessment process, the tasking of the agencies is important. Crisp, clear tasking leads to sharp and effective operational management and facilitates after-the-event evaluation. Soft or tardy tasking makes it harder, and occasionally impossible, for the agencies to act.

The Liberal Democrat spokesman referred to the Falkland Islands war. I refer the House to paragraph 311 of the Franks report, which points out only too clearly that late tasking created problems for the intelligence assessment there—as it turned out, the tasking change was too late because it was only six months before the operation.

Effective and clear tasking allows good management. It also makes it possible to devise and measure cost-effective delivery—the very point that the hon. Member for Workington (Mr. Campbell–Savours) raised—in which process the NAO will play its part in helping the agencies and the Committee to do their job: to protect this nation and defeat the enemies of the realm.

6.46 pm

Yvette Cooper (Pontefract and Castleford): The Intelligence and Security Committee report is broad in scope. I want to concentrate on only two issues—oversight and personal files—while joining in the tributes by other hon. Members to members of the agencies, who work hard on our behalf and are frequently unrecognised.

In the 1994 Richard Dimbleby lecture, Stella Rimington, former Director-General of the Security Service, said:

"Accountability lies at the heart of the tension between liberty and security".

She could just as easily have said "between democracy and secrecy", because democracy holds that we must hold public organisations openly to account, while good intelligence saves lives; secrecy saves lives.

Inevitably, we cannot hold our secret agencies to account by the public, press and Parliament in the ordinary way, but that is all the more reason why those who are charged with oversight and who have responsibility to look into what the secret agencies are doing really have the power to do the job properly on behalf of everyone else. There are gaps in our system of oversight—in particular, in the ISC's access to information about what the secret agencies do.

At the moment, information is provided by agency chiefs and by Ministers at their discretion, which raises a difficult point: how can we have proper oversight if the very people whom we are supposed to be overseeing are determining what information we get? That severely jeopardises the Committee's ability to pronounce with authority on important intelligence issues. Credibility demands knowledge and knowledge demands the power to verify—the power to check what is going on. Until now, the ISC has not had that power, and that reduces its credibility in the public mind, as well as in Parliament's mind.

None of that means that I suspect the agencies of any wrongdoing; it means simply that we on the Committee lack the ability to pronounce with confidence that all is well. We cannot come to the House, put our hands on our hearts and say that all is well, because we do not have the power to know.

A good oversight committee will never be able to answer all the questions that are raised by hon. Members about the secret agencies or their work. It may never be able to answer questions about all the issues that it is investigating. That is inevitable. However, colleagues in the House should be able to feel confident that someone is investigating issues on their behalf and has the power to do the job properly, even if ordinary Members of Parliament are not able to get the answers themselves. At the moment, colleagues cannot do that, but they should be able to do so. It is possible, without jeopardising national security or secrets that we need to keep, to move to a better system of accountability. That is why the ISC's investigative arm is so crucial. It is worth thinking through the objections and the likely objections, because we must make the investigative arm work in practice. Although there has been a great deal of positive discussion today about that investigative arm, we have not yet made it work in practice.

The first objection that people raise is that a security risk is involved—that information that the Committee demands may jeopardise the lives of agents or threaten the security of sensitive operations. That does not fit with the facts. We should consider the experience of other countries. The German oversight committee has the power to call for papers and for people to testify before it. In the United States, the congressional intelligence committees have a right of access to all the information that they require. So, too, does the Canadian oversight committee, the Security Intelligence Review Committee. Those committees do not leak. When we visited them, the agencies and the committees told us that, with just one exception, there had been no security breaches from their oversight committees.

There is also a precedent in the United Kingdom as the commissioners have full access to information. They have full access to all the files that they want to see and anything else that they want to look at to do their

job. If commissioners for the agencies can be trusted not to abuse their power, surely a group of politicians should be trusted to do exactly the same.

The second objection, and I have heard this raised, is that the existing system of accountability is already adequate—that the ISC may have limited powers, but there are also commissioners and tribunals. It is argued that agency chiefs answer to Ministers and Ministers answer to Parliament and that a complicated system of accountability is in place. The problem with that argument is that it does not stack up to an adequate system of accountability. It simply is not acceptable in a modern democracy for the agencies to be answerable only to the Executive, especially given their growing technical power to invade people's privacy and look into their lives. Where they have so much power, they must, for the sake of public confidence, also be answerable to Parliament.

Ministers must also answer to Parliament for their security decisions. The ordinary process of ministerial accountability to Parliament will never work for security issues. We cannot have Ministers at the Dispatch Box answering parliamentary questions on security issues, and we would be horrified if such a system were ever to start. However, in the absence of that, we must have a credible and powerful system of parliamentary oversight, even if that cannot be done by the whole House. Without some sort of Committee, neither Ministers nor agencies will be properly accountable for their decisions.

Colleagues have argued that we should go further and set up a Select Committee. I think that that would be a good idea, but we must remember that such a change would not of itself magically solve the problem of access to information, which is the issue at the heart of the debate. Existing Select Committees are routinely denied information on the ground of national security. The Canadian oversight committee is not a parliamentary committee, but it is more credible than Britain's ISC because it has greater access to information and can act as an independent check on what the agencies are doing.

There is an issue surrounding the lack of independent checks in Britain that goes far wider than the ISC and accountability to Parliament. It is about the principle of external independent checks on organisations that have had a long tradition of self-regulation. At the moment, agency chiefs report directly to Ministers, but the secret agencies' tradition of autonomy and self-regulation means that that is often the sole point of Executive accountability, as Ministers and their civil servants rarely go beyond the agencies' doors. Commissioners check whether it was legal for Ministers to sign a particular warrant, but who outside the agencies checks whether operations are actually carried out in accordance with those warrants? Who checks whether operations are well managed? Who outside the agencies checks the wider issue of compliance with the law?

Obviously, we cannot have a system under which absolutely everything that the agencies do is checked in that way, but who outside the agencies checks any of it? In principle, the commissioners could do that, but as Lord Justice Stuart-Smith made clear in his annual report this year:

"It is not my function to review operations."

I hope that Ministers will consider the tradition of self-regulation of secret agencies, because I believe that it is out of date. That applies not only to secret agencies, but to any organisation operating in the modern world. It is not a criticism of the secret agencies; it is simply an argument for proper independent checks that can improve efficiency and act as a spur to improvements. After all, my right hon. Friend the Secretary of State for Education and Employment does not rely on self-regulation for schools; he sends in the Office for Standards in Education. My right hon. Friend the Secretary of State for Health today argued for an independent external audit for doctors. The US, Canada and Australia have inspectors-general to fulfil that function in their secret agencies. It is something that the Committee has said it will consider further, but Ministers should pursue in more detail the issue of Executive oversight.

Of course, it is vital that such checks do not become over-bureaucratic, but it is possible to have effective independent checks that work for the benefit of the secret agencies and make them better able to perform their functions for the sake of all of us. Such a system is not just in the interests of democracy; it is in the interests of the agencies themselves. A credible oversight system would give them more cover. It would give the ISC the ability to defend them, to take some of the flak and to object to some of the more ludicrous allegations that will inevitably arise and will not go away, no matter what sort of oversight system we have.

I want briefly to raise the question of personal files—in particular, the destruction of the old subversive files, where the same principle of independent checks applies. The ISC has argued that there should be an independent check on those files that the Security Service has decided it does not want any more and should be destroyed. It appears that the Government have rejected that recommendation and I strongly urge Ministers to reconsider. If the only objection to independent checks is that they are too bureaucratic, we should keep all the files. They should be put in a vault or microfiched; we must not destroy those old subversive files for good simply on the say-so of the Security Service.

The Government's response states:

"the decision to retain or destroy a file must be an operational one."

However, that is only part of the story. I accept that only the Security Service can make the operational decision whether it still needs to retain a file and continue to use it, but, once the service has decided that it does not need it, there is an historical—not operational—decision to be made. History is not an operational decision. There is absolutely no reason why only the Security Service should be capable of deciding whether something has historical significance for the future. In fact, for the sake of the credibility of history, someone other than the Security Service should make that decision.

It is controversial stuff. We have all heard the allegations about the monitoring of so-called subversives in the 1970s and 1980s. For all I know, none of it may have happened. On the other hand, all sorts of outrageous things may have happened. The point is that future generations have a right to know what happened and how the organs of the state behaved. They have a right to be able to learn from that and to know that what they are looking at is the entire record. They need to be confident about that. For the sake of credibility, it should not be the Security Service that decides that. Future historians should never be able to say that the service was given a licence to write its own history.

[Yvette Cooper]

There are all sorts of other issues about individuals' rights to see their files if the Security Service has decided that they are now redundant and should be closed. It is too difficult an argument to go into in detail tonight; it is a matter to which the Committee has said it will return. Important issues are involved—files that the Security Service has decided are redundant should not be destroyed without there being at least some consideration of whether it is possible to consult the individual involved on what should happen to his or her files.

I welcome today's debate. We have certainly come a long way since the mere existence of MI5 and MI6 was denied. I believe that, sooner or later, we will travel much further. We will have to improve our system of accountability, for the sake not only of democracy but of the very secret agencies that the United Kingdom needs to function and to protect our modern democracy. If we do not improve our system of accountability, those agencies' capacity to operate in the national interest will be threatened.

7.9 pm

Mr. Nigel Jones (Cheltenham): I am delighted to be called to speak in this important debate. As hon. Members have already said, the headquarters of GCHQ is in my Cheltenham constituency. Moreover, it is the town's largest and most important employer.

Since implementation of the Intelligence Services Act 1994—I served on the Standing Committee that scrutinised that Bill—the Intelligence and Security Committee has made regular visits to Cheltenham to visit GCHQ. I pay tribute to the work being done by the Committee, and echo Committee members' tributes to the dedicated personnel working in our intelligence and security services, especially at GCHQ.

I wish to speak primarily to paragraph 8 of the Committee's report. However, I should like first to mention the now-ended ban on trade unions, which has been mentioned already in the debate by the Foreign Secretary and other hon. Members. Once again, I thank the Foreign Secretary and the Government for ending the trade union ban at GCHQ, thereby ending a disgraceful episode in which the loyalty of dedicated employees was questioned.

Each January while the ban was still in operation, on the anniversary of its imposition, trade unionists, Members of both Houses of Parliament and ordinary, decent citizens used to meet in Cheltenham to march through the town to protest against the ban. Since I was first elected to the House, in 1992, I have marched shoulder to shoulder with campaigners to end the ban. For five years, I had the privilege of addressing great rallies, at one of which I shared the platform with the late John Smith. Four great party leaders have shown solidarity in redressing the great wrong of the ban—John Smith, Neil Kinnock, Lord Steel of Aikwood and my right hon. Friend the Member for Yeovil (Mr. Ashdown).

We met to support especially each and every one of the 14 loyal trade unionists who were sacked from GCHQ for sticking to their principles and wishing to belong to a trade union. Many of those 14 are my constituents, and they are very special constituents. They are Mike Grindley, Graham Hughes, Brian Johnson, Alan Rowland, Gerry O'Hagan, Dee Goddard, Bill Bickham, Alan Chambers, John Cook, Clive Lloyd—a distinguished local councillor—Roy Taylor, Barry Underwood, Gareth Morris and Robin Smith.

Of the 14, 13 were involved in supporting our armed forces during the Falklands conflict, and every one of them was positively vetted. The previous Government claimed that they were a threat to Britain's security, although they did not make that claim when those people were working their socks off helping our troops in a war and providing crucial, round-the-clock support in hugely difficult conditions. The previous Government also did not make that claim at the end of the conflict, when they honoured those people.

The ban on trade unions was a shabby act, and the new Government have put it right. Mike Grindley, Clive Lloyd and their friends—all 14 of the trade unionists—are about as subversive as a bunch of bananas. I thank the Government for keeping their promise to remove the ban on trade unionists at GCHQ.

Hon. Members will know that the previous Government decided to proceed, under the private finance initiative, with new accommodation for GCHQ. The remit was to consolidate GCHQ on a single site, and there were three options—to consolidate on one or other of the existing two sites, at Oakley or Benhall, in Cheltenham, or to build on a new site within the Cheltenham, Gloucester and Tewkesbury triangle. Soon after taking office, the new Government confirmed their intention of proceeding with that PFI, to the surprise of many people, including me. I must admit that I am still not convinced that using a PFI is a good idea in a service that is as vital to national and international security as GCHQ. However, the argument is over, and the PFI will proceed.

The local community has felt left out of the decision-making process because of the confidential nature of the bidding process. Some of the consortiums bidding for the contract were better than others and tried to keep local people informed, whereas others were downright cowboys—although some of my constituents have used the expression "sharks". Rumours were rife, causing considerable alarm and anxiety to local residents, especially those living near GCHQ, Oakley. Local councillors and I did what we could to alleviate the concerns.

Sadly, however, some mischief makers seemed determined to undermine the chances of GCHQ remaining in Cheltenham. At one stage, I found it necessary to tell a journalist that the wild stories that were circulating were "pie in the sky" and would never happen. Fortunately, he used the expression in the headline of his article. Even more fortunately, my comments have proved to be correct. The director of GCHQ found it necessary to take the unprecedented action of writing to the local newspaper to try to calm the rising hysteria. It was a sorry chapter, which, fortunately, has now come to an end.

Last month, the Government announced that they had decided against building GCHQ's new accommodation at Oakley. I support that decision. The Oakley site was far too cramped, and the roads were not suitable to cope with a doubling of office traffic. Currently, during rush hours, queues build up, particularly along the A40 London road, at Sixways, in Charlton Kings, and on other roads leading to GCHQ, Oakley.

The Government have announced also their decision on the successful consortium. GSL—which includes Tarmac, BT and Group 4—submitted an attractive circular design, with a central open courtyard, for the Benhall site in Cheltenham. On the land to be released—all of Oakley and part of Benhall—there are outline plans for a science park, perhaps a hospital, housing, retail facilities and a public centre. Needless to say, the circular design for the new accommodation has been christened "the GCHQ doughnut".

Unfortunately, when announcing the preferred developer, the Government did not announce the site. Instead, they have rather confused the issue by saying that the doughnut would be built either on the Benhall site or over at Brockworth, in the Gloucester business park, in the Tewkesbury parliamentary constituency. I should explain briefly why the Benhall option should be chosen. I should also like to urge the Government to make a decision quickly—today, if possible—to end speculation on the matter.

On the GCHQ PFI project, in paragraph 8 of its report, the Intelligence and Security Committee states:

"The challenge of ensuring no interruption to operating capabilities during this reorganisation is a daunting one, which will require the highest levels of management skill."

The Committee Chairman, the right hon. Member for Bridgwater (Mr. King), eloquently expressed the importance of that point.

The Government currently own land at Benhall that is within the GCHQ's boundaries, which will allow new accommodation to be built alongside existing offices. Therefore, there need be no interruption of or conflict with the vital work done there. Many talented employees working at GCHQ tell me that they wish to remain in Cheltenham. The vast majority live in or near the town. Visiting American security officers who occasionally visit Cheltenham have said that they think it is "unthinkable" that GCHQ should leave Cheltenham. Frankly, it would be disastrous if GCHQ left.

I have been told that GCHQ's work force is the equivalent of one quarter of Cheltenham's entire work force. Estimates show that, with the multiplier effect, GCHQ and its staff annually contribute more than £200 million to the town's economy. The people who work there contribute not only through their high street spending but in various other ways. They contribute to sports clubs and to voluntary and arts groups; some are school governors and a few are even local councillors. I was told last night that Cheltenham's Bach choir is made up mainly of GCHQ employees. If GCHQ moved out, property prices would fall, shops would close and many jobs would be lost.

There is also an important environmental reason for building the GCHQ doughnut at Benhall. A large majority of GCHQ personnel live in Cheltenham. If the new accommodation were built at Brockworth, the staff would need to travel to and from the new site every working day, many of them along busy and narrow roads. Hundreds, perhaps thousands, of extra vehicles would use the A46 through the delightful village of Shurdington. According to one estimate, an extra 5 million miles would need to be travelled each year.

I understand that, under the terms of their contracts, GCHQ employees would be reimbursed for up to three years for the additional costs of travel. I shall let hon. Members work out for themselves how much that would cost the taxpayer.

The Government claim to be environmentally aware. Indeed, each Government Department has appointed a green Minister, and I support the thrust of that policy. I therefore find it impossible to believe that the Government are considering using taxpayers' money, which is always in short supply, to force GCHQ staff to waste their time travelling millions of extra miles to and from work, using non-renewable resources and adding to air pollution. How would that policy fit in with the Government's obligations under the Kyoto agreement? One of my constituents is the country's leading environmental campaigner, Jonathon Porritt. I discussed the issue with him last week, and he was horrified to hear what was being considered.

Another key point to bear in mind is that the people of Cheltenham, whom I have the honour and privilege to represent, want to continue the long and successful partnership between the town and this vital Government installation. I pay tribute to the councillors and officers of Cheltenham borough council who have bent over backwards to help GCHQ during the PFI process. On 12 October, the chairman of the council's policy and resources committee, Councillor David Lawrence, asked the council to approve a resolution welcoming

"the selection of GSL as the preferred developer"

and urging the Government to

"accept the Benhall option".

That motion was carried unanimously.

In order to gauge local opinion, I sent a letter and survey to thousands of people living near the Benhall site. I pointed out the importance of GCHQ and the fact that development would take place at the site whatever the decision over GCHQ. My office has received bucketfuls of responses, and 97 per cent. of the people responding want GCHQ at Benhall.

By contrast, the people of Brockworth say that they do not want GCHQ. Brockworth parish council chairman Jim Hunt is reported in the *Gloucester Citizen* as saying:

"I'm dead against it. It would be a horrible blot on the landscape".

Other councillors have also said that they do not want it. Councillor Mike Matthews said that traffic was a concern:

"We all know what the traffic is like now. It would be worse. There wouldn't be any jobs created for people in Brockworth".

Councillor Colin Gomersall said:

"There would be chaos on the roads. We said 'yes' to Gloucester Business Park because it would bring jobs to the locality but this is a dead duck."

Councillor Barry Morris said the council had been kept in the dark about the proposal. He added:

"I think we should write to Tewkesbury Borough Council to express our dismay that we knew nothing about the prospect of GCHQ moving to Brockworth."

I understand from a constituent that the water table on the Brockworth site, formerly used by the Gloucester Aviation Company, is no more than a metre below the surface. He writes:

"The geology of the site reveals alluvial lias clays. These sub-soils have the ability to absorb large quantities of water, expanding to double or triple their size. The downside is that when they dry out they contract in similar proportions, from where they get the name 'shrinkable clays'.

Modern construction methods can overcome the worst effects of these clays on normal rectangular buildings, but it must be a major concern for the potential distortion of an annular form of the proposed doughnut."

[Mr. Nigel Jones]

What my constituent is saying is that the Brockworth site is not suitable for a circular design like the GCHQ doughnut.

The decision for the Government should now be easy. The people of Cheltenham want GCHQ; Brockworth does not. The Benhall option in Cheltenham ties in with the Government's green agenda; Brockworth does not. The employees of GCHQ want to stay in Cheltenham; they do not want to waste time travelling to Brockworth. The Benhall site in Cheltenham is structurally sound for the circular design of the new GCHQ; Brockworth is not.

I urge the Government to announce, sooner rather than later, that Benhall is to be the home for a successful future for GCHQ.

7.15 pm

Mr. Dale Campbell-Savours (Workington): I warmly welcome this debate. I have been a member of the Intelligence and Security Committee for only 15 months. Before that appointment, I must confess to an underlying unease—a healthy scepticism—about the security services. Indeed, in the 1980s, I hunted with the hounds over the Wright affair and played my part in embarrassing the Government of the time.

Following my experience of the past 15 months, I feel greatly reassured. I have "been in", "seen much" and "pondered at length", and I am much reassured by what I found and by the conversations that I have had with people in the services. Some people might say that I was "going native"—a phrase used by my hon. Friend the Member for Sunderland, South (Mr. Mullin)—but I assure him that I am not. All members of the Committee observe the performance of others, and I do not think that my fellow Committee members could accuse me of going native. I would suggest to my right hon. Friend the Member for Ashton-under-Lyne (Mr. Sheldon), the former Chairman of the Public Accounts Committee, that the nature of my questioning was little different from when I was on the PAC. My colleagues can be reassured that, along with others, I play my part.

I hope that the agencies are reassured by today's debate. In my view, they should welcome the report, as I do. It is an excellent report, especially in its reference to the investigative arm which, as my hon. Friend the Member for Pontefract and Castleford (Yvette Cooper) said, is critical to the workings of the Committee. The Committee needs teeth, and that is the route that we must take.

I must pay one or two tributes at the outset. I pay tribute to my hon. Friend the Member for Rother Valley (Mr. Barron) for his very important work on industrial relations, work that is of some historical significance. I also pay tribute to my hon. Friend the Member for Pontefract and Castleford for the excellent work that she did on files, and to the Chairman of our Committee, who I believe has been an excellent Chairman and who adds credibility to the work that we do. I mean that most sincerely.

I pay tribute to the service heads who have painstakingly set out to reassure the Committee within the terms of the legislation. I pay a special tribute to the work of agency personnel, whoever they are and wherever they are in the world. Their names I know not, but I would like them to know that their work and dedication have been an inspiration to members of the Committee as they carried out their duties. However, there is a hole in the way we work, and a big hole in the report, and that is the status of the Committee. I shall comment almost uniquely on that aspect of the debate.

I do not believe that oversight is fully credible while the Committee remains a creature of the Executive—and that is what it is. The problem at the moment is that the Committee considers its relationship with the Prime Minister more important to its operation than its relationship with Parliament. I strongly dissent from that view and find the arguments in favour of Select Committee status utterly overwhelming. So what are they?

First, we live on the threshold of an era in which our civil liberties and freedoms will be the subject of increasing pressure as the state strives to maintain collective responsibility. It is an exercise in which states throughout the world are involved. Curiously, closed circuit television adequately illustrates my point. Civil libertarians were hostile to its introduction. Now they simply talk of safeguards and regulation. The demands of society for protection against the excesses of criminal activity have crowded out arguments over the intrusion of camera surveillance on our lives. In such conditions, one has to be beef up systems of regulation, safeguard and oversight. Those systems need to command public support, confidence and trust. I do not believe that the ISC, despite the good intentions of its membership and the witnesses that come before it, as a creature of the Executive, can possibly meet those tests.

Secondly, the Committee needs new and increased powers to call persons and papers and to communicate with other Committees. There are times when the information that comes our way should, in certain circumstances, be referred to other Select Committees. It would enable them to carry out their inquiries. That does not mean that security will be in any way breached because mechanisms can be introduced to ensure that that does not happen for the release of material.

It is already acknowledged that the Committee needs the power to report directly to Parliament and the argument has been well rehearsed this evening. I believe that we need the power to take evidence under oath. Select Committees have that power, yet we do not. Without going into any details, it is fair to say that there are times when the Committee might receive assurances on issues where, if those assurances were given under oath, we might have the confidence—under present circumstances, with the approval of the Prime Minister—to make statements that would be extremely helpful during the course of public debate and in the exercise of reassuring the general public.

We need the power to take evidence under privilege. Technically, if a person appeared before the Committee today, he could libel another person because he would not be protected by privilege. The Committee has none of the powers that are accorded to witnesses giving evidence to parliamentary Committees.

Above all, the Committee should have the power to hold witnesses in contempt if they deliberately mislead the Committee—*[Interruption.]* Does the Chairman of the Committee wish to intervene? I see not. If Parliament knew that the Committee had the ability to take evidence

under oath and to hold witnesses in contempt in the event that they were deliberately to mislead, it would substantially increase the credibility of any reassuring statement that the Committee makes.

The arguments are not new; they have been rehearsed at length on a number of occasions in the past, most notably during the passage of the 1989 and 1994 legislation. Those supporting Select Committee status included the noble Lord Hattersley, speaking from the Front Bench. If he catches your eye, Mr. Deputy Speaker, my hon. Friend the Member for Walsall, North (Mr. Winnick), intends to go into greater detail about what was said at the time. Other supporters included the noble Lord Randall, who also spoke from the Front Bench, and the Secretary of State for Trade and Industry, my right hon. Friend the Member for Hartlepool (Mr. Mandelson), as well as my hon. Friend the Member for Rhondda (Mr. Rogers), who in 1993 made a number of fascinating speeches that make most interesting reading. I hope that my hon. Friend the Member for Walsall, North will read them. The noble Lord Richard, speaking from the Front Bench in another place, and the Minister for the Cabinet Office, my right hon. Friend the Member for Copeland (Dr. Cunningham) also made positive speeches in favour of Select Committee status. Indeed, in 1989, the entire shadow Cabinet, including my right hon. Friends the Home Secretary and the Foreign Secretary, voted for Select Committee status. I have a copy of the Division list. The entire Labour membership of the Committee today that was in the House at the time all voted for Select Committee status, so we are not arguing new principles this evening.

Some say that legislation is required to accord Select Committee status, but that is not my understanding—a resolution of the House will suffice. We could establish a Select Committee to carry out fully the functions of the ISC by using existing arrangements within the House, simply carrying a resolution. Of course there would be a residual ISC in place by way of the legislation, but that would need to meet only once a year for five minutes to fulfil its function.

I recognise that there is strong opposition, which is to be found everywhere. Some argue that the fact that the Committee reports directly to the Prime Minister gives individual members of it additional clout, kudos, weight or importance in the political world. I strongly reject that view. Others argue that no way can be found to restructure the practices and procedures of the Select Committee so as to ensure Executive influence for reasons of national security over material that it may seek to publish. That is simply untrue. A resolution of the House could require that the Committee sought the approval of the appropriate agency before reporting to the House. The resolution could further provide that, in the event that a dispute arose between the agency and the Committee over the publication of information or evidence in a report to the House, the matter of the dispute could be referred to my right hon. Friend the Prime Minister for his decision and the Committee could be required to comply with the decision of the Prime Minister. If, in unforeseen circumstances, the Committee or any member of it were to threaten to breach the Committee's rules of procedure as approved by the House, it would always be open to the Leader of the House, on the instruction of the Prime Minister, to dissolve the entire Committee or remove any member of it on a resolution tabled on one day which took effect on the next. There are adequate provisions.

Mr. Rogers: I accept what my hon. Friend says and there is a great deal of substance to his argument. However, the issues involved are a little more complicated than those of a general Department of State. For instance, the relationship between our allies in matters of national security and defence has to be considered, as does the interrelation between GCHQ and the National Security Agency in America. In so many ways, there is a nexus of relationships. If that were disentangled, perhaps the argument for Select Committee status would be more valid, but at present it is not as simple as dealing with an ordinary Department of State.

Mr. Campbell-Savours: My hon. Friend is arguing that, by implication, accountability to the legislature means a wider form of accountability to Members of Parliament.

Mr. Rogers: No.

Mr. Campbell-Savours: That is how I understood his intervention. That is invalid if resolutions of the House suitably circumscribe the powers of the Committee, which is what the argument is about. We can carry resolutions that make the Committee as hermetically sealed as any structure that currently exists. We are told that such a Committee could not be prevented from taking evidence in public session if that were the wish of the Committee. A resolution of the House could introduce a general prohibition on the Select Committee taking evidence in public session. It could further place a requirement on the Committee to seek the permission of the appropriate agencies and the Prime Minister in conditions of dispute if it wished to take evidence in public.

It is argued that, while a Select Committee is neither more nor less likely than the ISC to leak, it would have the right to publish reports in a way that would prove prejudicial to the interests of national security. A resolution of the House could introduce a general prohibition on the Select Committee publishing reports. It could further place a requirement on the Committee to seek the permission of the appropriate agency, and the Prime Minister in conditions of dispute, if it wished to publish a report. Safeguards would be available for every eventuality.

As prime ministerial appointees, members are currently responsible for reporting collectively to the Prime Minister. It is argued that such limited powers to report would not be possible if the Committee were appointed by the legislature. There is no reason why the resolution of the House should not stipulate the procedure to be used in the publication of reports. It could require the Committee to publish its reports subject to sidelining by the Prime Minister for reasons of national security, as currently happens.

It is also argued that a move to a parliamentary arrangement would lead to greater pressure on Ministers to be accountable as witnesses to a parliamentary Committee structure, with less emphasis on agency heads giving evidence. That argument is not supported by an examination of practices in some of the House's other

[Mr. Campbell–Savours]

Committees. In my 11 years on the Public Accounts Committee, Ministers never attended as witnesses. I am not advocating a prohibition on Ministers attending. Ministers would be no more likely to attend a House Committee than the ISC. With hearings being held in private, there would be no additional pressure on Ministers to attend.

The most remarkable argument is that a lack of secure accommodation in the House would make it impossible to conduct inquiries, take evidence and deliberate in secure conditions. We have been to all parts of the world recently and seen parliamentary Committees working perfectly. The relevant House authorities manage to find secure arrangements.

My hon. Friend the Member for Rhondda may have been alluding to the fact that dealing with foreign powers and the agency involves trust. The problem in this particular instance is not the structure, but the people. With the right membership, a parliamentary Committee is no more likely to leak than the ISC. If the right people are selected, there will not be a problem. I remind those on the Committee—this is the first open debate that we have had; I welcome that—that we have to grasp the nettle, because there is an expectation among our colleagues that the system should work. We may be satisfied that it works, but they are not. They do not believe that it is credible. Journalists ring us all the time and we all give them the same answer: "We are not in a position to talk about those matters publicly." For us, that is all right, but they have no confidence in the structure set up in the 1994 legislation. Let us change it and build a system that commands public confidence.

7.35 pm

Dr. Julian Lewis (New Forest, East): When I look at the extensive gaps on the Benches on both sides of the House, I feel like the last man monitoring subversion in MI5. I believe that even he is now out of a job.

It is always a privilege to listen to the hon. Member for Workington (Mr. Campbell–Savours). I do not always agree with what he says, but his comments are always thoughtful and well considered, and deserve to be taken seriously. I endorse the remarks of the hon. Member for Pontefract and Castleford (Yvette Cooper) about the importance of retaining MI5 files when the Security Service might be minded to destroy them. She outlined the main reasons. I shall not repeat them, but I am pleased to endorse them.

As my right hon. and learned Friend the shadow Foreign Secretary said, I initiated an Adjournment debate on that issue on 25 February. I am pleased to see that paragraph 40 of the report says that there should be safeguards against MI5 using file destruction to rewrite the historical record. There should also be safeguards to prevent politicians from doing the same.

The foreword to the report is a two-and-a-half page summary of the rationale for the continued existence of the SIS, the Security Service, and GCHQ. It is the finest distillation of all the reasons why those services are essential to the nation in the future, just as they have been in years gone by. Emphasis is laid on regional wars, aid and peacekeeping, nuclear proliferation, terrorism, computer security and chemical and biological weapons.

I pay tribute to those in the SIS and the CIA who were responsible for bringing to the attention of the world community in 1993 the way in which the Russians, who had signed the 1972 biological weapons convention, had systematically flouted it for 20 years, redoubling their efforts to produce deadly bacterial weapons when other nations were honouring the agreement.

However, I find the foreword a mite over-generous in one respect. It says at the start:

"For more than 40 years, the United Kingdom and its NATO allies endured the threatening environment of the Cold War. The genuine menace of an aggressive world power, seeking to subvert and dominate Europe and the wider world, gave abundant justification for substantial defence, intelligence and security structures. In this climate, the case for foreign intelligence and internal security was generally accepted."

I am put in mind of an occasion as recent as April 1989, right at the very end of the cold war, when no fewer than 29 hon. Members saw fit to sign an early-day motion calling for the abolition not only of MI5 but of special branch. I am pleased to note that none of them has been appointed to the Intelligence and Security Committee.

I have sometimes been accused—not least by the honourable and ever-genial Member for Wolverhampton, North-East (Mr. Purchase)—of re-fighting the cold war in some of my speeches and interventions. We would be very foolish when considering the security and intelligence services' future role not to look at the cold war and the lessons it has for us.

Several points in the Committee's report give me grounds for concern. One is that, when the report concentrates on vetting, it says in paragraph 47:

"there may be files on individuals under the age of 55 because they joined an organisation which was categorised as subversive possibly 20 years ago, and these files may still be used for vetting and other purposes. However, no such files would be opened on somebody who joined the same organisation today."

That is a little naive. Many of the organisations that were subversive 20 years ago will no longer be around for people to join; they collapsed with the demise of the Soviet threat. There is no comparison between people who joined an organisation 20, 10 or 15 years ago, when that organisation may have been organically linked to the Soviet Union, such as many of the Soviet front organisations, and people who join a similar organisation today even though the Soviet threat has disappeared.

I am concerned that paragraph 17 of the Government's response to the report says:

"the Government's policy is that the Service"—

the Security Service—

"will no longer surface records in the vetting context purely on account of membership of organisations hitherto considered subversive."

Does that really mean that, if, for example, someone were being considered for appointment to a senior position in NATO, no attention whatever would be paid to whether he had previously been active in organisations classed as subversive at the height of the cold war? The fact that such checking apparently does not happen at least clears up a mystery for me about one person—an academic—who I know was appointed to a senior position in NATO

despite being actively and prominently involved in seeking to undermine NATO's position at the height of the sensitive argument over European missiles.

Mr. Rogers *rose—*

Dr. Lewis: Does the hon. Gentleman wish to intervene?

Mr. Rogers: No, I am walking out on the hon. Gentleman's speech.

Dr. Lewis: The problem with MI5 dealing with subversion was that its task was much easier in war than in peace. In war, as we now know, the Security Service succeeded in the incredible task of taking control of the German spy network in Britain by means of the double-cross system and the XX committee. The German spy network was so fully controlled that not only was no effective espionage carried out in this country, but when the time came for London Controlling Section planners to work out the strategic deception that would fool the Germans on D-day, German agents in this country were used as the conduit for disinformation, which was fed to the Nazis and undoubtedly saved many lives.

It is more difficult to trumpet the achievements of the security services in peacetime. One tends to wish that they would be a little more forthcoming. For example, in 1961, when Colin Cross was writing his account—definitive at the time—of the fascist movement in Britain, he was still unable to say for certain that the fascists had been funded during the 1930s by Mussolini. It should not have taken the security services until November and December of 1983 to reveal special branch and Security Service reports that show that Mosley had indeed been the paid stooge of Mussolini for part of that period.

Similarly, I do not know, even to this day, whether the Security Service realised that, at least from 1958, right through until at least 1979, the KGB was financing the Communist party of Great Britain. Certainly, throughout all those years, leaders of the Communist party of Great Britain angrily denied that anything of the sort was going on. The fact came out not as a result of a revelation from the Security Service's archives, but when researchers who were looking through the archives in Moscow found reports of payments—in one year as much as £100,000—to Reuben Falber, the bag man for the Communists at the time.

I understand the security services' need for reticence when they are touching on matters that could relate to party politics. Much of the debate until now has inevitably been a mixture of generalities and structural recommendations. I should like to describe a few examples that might illustrate the difficulties that arise when people who belong to the security and intelligence services must make decisions about action and intervention.

During the second world war, in 1944, MI5 tendered a report to Cabinet Minister Herbert Morrison on the Trotskyist movement in Britain. It was remarkable for its comprehensiveness. It especially identified a man called Edward Grant—Ted Grant, as he later became better known—the editor of *Socialist Appeal*, as the leading organiser of Trotskyist subversion during the war. Strangely enough, that man was still active when, in the 1970s, the Revolutionary Socialist League—the direct successor to the organisation with which he had been involved during the war—began infiltrating the Labour party as the Militant Tendency.

The question that one must ask is whether it is right for a security service to intervene when a democratic political party is being infiltrated by people who are subversive. I am delighted to say that, 10 years after I tried to help the Labour party to kick out activists of the Revolutionary Socialist League in the 1970s, the Labour party finally got round to doing it itself.

It is very strange that one can still look back at events in the 1980s and try to criticise the Security Service for taking an interest, but forget the interest that the security services took in the 1970s in the undermining of the Labour party by people who were trying to get revolutionary communists into Parliament on the back of the Labour ticket, which was finally confirmed by the all too belated expulsions from Labour's ranks.

Perhaps a more immediate example is that of the Soviet propaganda front organisations, such as the World Peace Council, the World Federation of Scientific Workers, the World Federation of Trade Unions and all the others that were set up in the late 1940s and 1950s to carry the Soviet propaganda message into battle against NATO and western countries. Those front organisations were banned by the Labour party for many years, because they were communist fronts. In 1972, the proscriptions were lifted, and suddenly, once again, the security services had a dilemma. What would they do if an activist in a political party were also an activist in an organisation that is an acknowledged instrument of a potential adversary?

To give the House the flavour of my point, I shall cite what the Foreign Office said at the United Nations about the World Peace Council. In a report in 1981, the Foreign Office said that the spokesman for the World Peace Council had said that his organisation represented hundreds of millions of people. The World Parliament of Peoples was presented in the literature of the World Peace Council as a kind of rival to the United Nations itself. However, the Foreign Office said, the grand facade of the World Peace Council was no more substantial than a Hollywood film set. The report said that the World Peace Council was a disguised instrument of one country's foreign policy. It was a wolf in sheep's clothing, and its clothing had begun to look very threadbare.

During the confrontation of the nuclear debate in the 1980s, an organisation came into existence which was a sub-front of the World Peace Council. It was called Generals for Peace. Generals for Peace consisted of eight former NATO senior military officers, half of whom were in their own right members of the World Peace Council. They were identified at the time as people who were engaging in an operation that was directly aimed at western strategic interests, and they were being orchestrated by a man called Dr. Gerhard Kade, who was well known to be active in the Soviet front network.

When the cold war came to an end, those of us who had been denounced for trying to point out what Generals for Peace and the World Peace Council had been up to in this respect were somewhat heartened to

[Dr. Lewis]

see a report from a felicitously named former Stasi agent called Gunther Bohnsack, who had spent 26 years in the active measures department of East German intelligence. He confessed that Generals for Peace had been

"conceived, organised and financed by the Stasi."

This had created

"a real power that was in line with Moscow's ideas",

and was

"controlled through intelligence services in Moscow and east Berlin."

Last year, the former head of the Stasi, General Markus Wolf, confirmed the truth of that.

There are those who say that there is no role for the security services in monitoring subversion and the past affiliations of people who may yet be appointed to sensitive posts. I should like to know what they expect of somebody who has been involved with an organisation that turns out to have been actively in the pay and control of a foreign hostile intelligence service. *[Interruption.]*

Some hon. Members want to know the direct relevance of all this; it relates to the aspect of the report which says that, in future, the Committee should have a further investigative capacity. Paragraph 69 says that the Committee lacks the ability to investigate directly different aspects of the agencies' activities:

"Without such a capability, the Committee cannot make authoritative statements on certain issues . . . We . . . intend to introduce this capability in the coming year."

If the role of the Committee and its investigator[illegible] guard against abuses by the security and secret ser[illegible] quis custodiet ipsos custodes—who will guard the guardians?

Paragraph 26 of the report states that there will be more vetting of agency staff, more random searches and close checks, so that nobody employed by the agencies will be likely to do anything to undermine their security. I suggest that what's sauce for the goose is sauce for the gander. If the Committee, with its extra powers, wishes to take to itself the right to look absolutely, totally and deeply into individuals and cases being conducted by the security services, the Committee itself will have to do something to ensure that its own security is beyond reproach.

I have given examples of the dilemmas faced by the security and intelligence services when they find their inquiries into potentially hostile organisations leading them back towards a political party. Let us imagine what the security services' dilemma might be if they were faced with the prospect of looking at a Member of Parliament who had, for example, sponsored a defence fund for the Trotskyist paper *Militant* when it was threatened with a libel action by a fellow Labour Member of Parliament; who had described the US air raid against Gaddafi as American state terrorism against Libya; who had welcomed a campaign to have Porton Down closed, thus depriving Britain of its chemical and biological defence research centre; who had supported Cuba and congratulated it on the 30th anniversary of Castro's communist revolution; who had praised the World Peace Council's own bogus Kremlin-organised peace congress in Copenhagen in October 1986; or who had backed a front for North Korean propaganda organisations.

The problem that would face the security services if they were looking into something of that sort is that they would find themselves investigating at least two members of the Intelligence and Security Committee itself. The security services will face a paradox—they must try to preserve their complete impartiality towards political parties, while doing their duty to follow the trail of hostile organisations, wherever it might lead.

I thank the House for its indulgence in hearing my speech. I look forward to hearing in particular the speech of the hon. Member for Lewisham, Deptford (Ms Ruddock), whose own organisation, the Campaign for Nuclear Disarmament, had a number of very close links with the front organisations which I have mentioned—and on that point I conclude my remarks—

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. Before the hon. Gentleman concludes his remarks, let me make it clear that he will not impugn the activities of any hon. Member, and he will not make any remark against any serving Member of this House. The organisation to which the hon. Lady belonged is a legal organisation, and it is her own business.

Dr. Lewis: If I may conclude—

Mr. Deputy Speaker: The hon. Gentleman has concluded his remarks. I am telling him what he will not do.

7.56 pm

Ms Joan Ruddock (Lewisham, Deptford): I congratulate the Committee on the report, and associate myself with the comprehensive opening remarks of my right hon. Friend the Foreign Secretary. Because of time, I intend to concentrate my comments strictly on the subject of personal files. I intend to speak of the past—not, I hasten to add, because I want to dwell in it, but because I think that it has direct relevance to this debate and to any future investigations that the Committee may undertake.

In 1979, I was Labour's parliamentary candidate for Newbury, where I lived at the time. At the end of that year, NATO announced that American missiles would be sited in Europe. Some months later, the Ministry of Defence organised a ticket-only public meeting on Newbury racecourse to explain why the cruise missiles should be sited at Greenham common. I spoke for the local opposition. For me, it was a mere accident of history and geography, but the consequences of that time have cast a long shadow over my life.

It was a very different time—a time of cold war, when, as the right hon. Member for Bridgwater (Mr. King) said in the introduction to the report:

"the case for foreign intelligence and internal security was generally accepted."

But then, as now, ordinary citizens thought that they had the right to free speech and peaceful protest. In 1984, the then Home Secretary, Leon Brittan—speaking of the Campaign for Nuclear Disarmament—appeared to agree. He said:

"There is no doubt that peaceful political campaigning to change the mind of government and of the people generally about nuclear disarmament is an entirely legitimate activity."

So how did I lose my right to legitimate dissent? How did I end up—as I believe I have been—the subject of MI5 surveillance? I do not know if there are files on me or not, but I have been frequently named in that context.

In March 1985, Cathy Massiter, an MI5 agent of 12 years' standing who had left the service two years earlier, made statements in a television programme that she reiterated in a lengthy sworn affidavit. She has never been prosecuted. What I have to say derives from that affidavit.

At that time, the Security Service operated under the 1952 Maxwell-Fyfe directive, which I believe defined subversive activities as those that threaten the safety or well-being of the state or that are intended to undermine or overthrow parliamentary democracy through political, industrial or violent means.

Despite the history lesson that we have just heard from the hon. Member for New Forest, East (Dr. Lewis), I understand that, when I joined CND, MI5 did not believe that it was a subversive organisation—indeed, CND could not possibly have met the criteria that I have described. I was a long-standing member of the Labour party, and I worked for a well-known and respected voluntary organisation. Speaking about me, Cathy Massiter said:

"it was fully recognised by the Service that she had no subversive affiliations and therefore she could not be recorded under any of the usual subversive categories."

However, as she said, the service was not deterred. It took advantage of the fact that CND was an open and democratic organisation, with the highest ethical standards. We had no personal scandals, despite repeated attempts to smear individuals. There was no Russian gold, and we famously sent back the donations from a numbered Swiss account.

We gave interviews freely to anyone who asked. When I gave one to a Soviet journalist, I unwittingly provided MI5 with—according to Cathy Massiter—the opportunity to record me as a contact of a hostile intelligence service.

Dr. Julian Lewis: In May 1982, was not the hon. Lady a member of the delegation that travelled to Moscow to meet the Soviet arm of the World Peace Council? Sally Davison, one of her colleagues in that delegation, said that the difference between CND and the Soviet peace committee was that the Soviet Union was in favour of peace.

Ms Ruddock: I speak only for myself. Because CND was open and democratic, it was willing to engage in discussions with other organisations. At no time in the Soviet Union did we fail to put our case for disarmament equally, east and west. The debate is not about the virtues of nuclear disarmament—all hon. Members will have their own views on that. I want carefully to deal with the report.

Mr. Winnick: Will my hon. Friend confirm that CND, of which I was not a member, produced a pamphlet that condemned totalitarian rule in the Soviet Union, making it clear that the activities in which she and her colleagues were engaged could not take place there? How, therefore, can CND be described as a Soviet front organisation?

Ms Ruddock: I thank my hon. Friend for those remarks. Indeed, members of the democratic movement in the Soviet Union told us how much they had learnt from the way in which we conducted ourselves.

As I said, Cathy Massiter alleged that I was recorded as a contact of a hostile intelligence service. I will never know whether the journalist was a KGB agent, but, frankly, it hardly matters. Central to the debate is the claim that someone who did not fit the rules for scrutiny was put under security surveillance on a pretext. I had no redress then—and I have none today—for the slur on my character and integrity.

Secret surveillance was not the end of the matter. In March 1983, the then Secretary of State for Defence established a special unit—DS19—inside the Ministry of Defence, with the solely political purpose of combating CND's campaign. Miss Massiter testified that she was required to compile a report based on her MI5 files for DS19. That was a clear breach of the Security Service's duty to remain free of party political bias and influence.

Between 1981 and 1986, I was frequently subjected, as a direct consequence of my involvement in CND, to frightening and intimidating behaviour. I shall never know whether those events related to MI5, but I feel certain that my privacy—and that of my family—was systematically invaded, and my character, impugned, with absolutely no justification.

Did that happen to me? Does it still happen today? Could it happen tomorrow? The Committee must ask those questions for us, and it is clear that it is willing to do so. I share the concerns expressed in paragraph 40 of the report, which my case illustrates.

According to Cathy Massiter, my file grew and grew. It contained, she said, special branch references to my movements, products of mail and telephone intercepts, and police reports recording my appearances at demonstrations and public meetings. I believe that I should have the right to see that file. Indeed, before I heard the arguments of my hon. Friend the Member for Pontefract and Castleford (Yvette Cooper), I was going to say that I believed that I had the right to have it destroyed.

The Committee's report makes no such recommendations about access, but, in paragraphs 50 and 51, it acknowledges the need to consider such matters. It says that more than 250,000 personal files still exist. I am not suggesting that my case is typical, but I suspect that it is not unique.

Changes in the law and the creation of the Intelligence and Security Committee should ensure that there is no repetition of the events of the 1970s and 1980s. However, as my hon. Friend the Member for Pontefract and Castleford asked, how can we have effective oversight if the people we are supposed to oversee decide how much information we receive? I wholeheartedly endorse the sentiments behind that question, and I welcome the Committee's proposals for a new, independent investigative arm.

The events that I have described belong to another time, but, even if my file had been closed a decade ago, I would still be angry that it had been compiled in the first place—solely because I was at the centre of an open and democratic organisation, which had massive public support and which was engaged in peaceful protest.

The charge that I was an enemy of the state was so patently absurd that I had thought that it had long been dismissed. However, *The Mail on Sunday* now says that I was one of the nine people singled out as "security risks" before the previous two general elections.

[Ms Ruddock]

I have never been a security risk. I was and am a loyal citizen of this country, who has done nothing more than campaign for causes in which I believe. If there is any file on me that suggests otherwise, that file contains a falsehood, and I should have the opportunity to correct it.

The rights to free speech and protest are fundamental democratic rights. Take them away, and we lose our ability to defend all the other rights and freedoms that are dear to the House. I very much welcome the Committee's report. I regard its work as one of the important checks and balances that protect those freedoms.

8.8 pm

Mr. Kevin Barron (Rother Valley): My hon. Friend the Member for Lewisham, Deptford (Ms Ruddock) will forgive me if I do not cover the areas that she mentioned. Clearly, she listened to what was said earlier about the proceedings of the Intelligence and Security Committee as regards personal files.

I want to cover two areas that the Committee has considered since I joined it in July last year: personnel management and oversight. The Committee has been studying personnel management since it was set up, investigating recruitment, the adequacy of vetting procedures and the handling of disaffected staff. As a relatively new member, I am pleased—as are most members, I think—that changes in personnel management in the agencies are in line with policies and practices in the rest of the public sector and that they are evolving year by year through the use of best practice. For example, the agencies are developing measures to increase personal responsibility for career development. Career progression is no longer likely to be made solely because it is one turn's to move up the ladder, which is not the best way to promote people's careers in any institution. I am sure that it causes resentment if people believe that they are ready for and have earned that next step, but are not promoted. Some people in the agencies had become disaffected as a result.

Recently, we looked into that matter in detail, primarily because of the disaffection that has been reported in the newspapers in the past 12 months. The Committee looked into individuals and bodies inside and outside the agencies that have responsibility for handling the problems of disaffected staff: the individual's line manager, the grade manager in the personnel branch, training or security staff, occupational psychologists, and personal and financial counsellors, in addition to a range of managers. Also, we met welfare staff who are employed by each of the agencies, who are very approachable.

I, and other Committee members, were impressed at the experience and commitment of the professionally trained groups whose role inside the agencies has been to give advice and counselling on employees' problems. Of course, their personal problems vary. The agencies give me great confidence in the way in which they work with staff members who feel that they have not been looked after properly for one reason or another.

In addition, we studied the role of external staff counsellors. We took evidence from Sir Christopher France, and the report states how many disaffected staff cases he has handled. However, in many of the cases that we have read about in the media, the individuals involved have not sought to have what they believed to be a wrong put right from within the agency, which is a great problem. The staff counsellor outside the agencies has a reactive role when dealing with disaffected employees. He cannot seek people with problems. His door is open if people choose to walk through it, but many of the people who end up in the media after they have left the service do not choose to walk through his or any other door. The agencies see that as a great problem, as many hon. Members would agree it is. The Committee thought that the staff counsellor could perhaps have a more proactive role with people who have left the service and are dissatisfied with their situation.

The Committee also considered access to employment tribunals for people who felt that they had been wronged in the workplace. Indeed, that was one of our recommendations and we all agreed that it ought to be possible to constitute a tribunal of members and staff qualified to serve as an industrial tribunal and to deal with secret material. I am pleased at the Government's positive response to that recommendation. They are considering it. However, not many of the cases that come into the public domain would be served by such a tribunal. If someone chooses not to go to a tribunal and goes instead to the media—whether by writing books or selling articles to the newspapers—there is little that we or the agencies can do about it.

The status of oversight and of the Committee have been mentioned. Members will have read that there is a difference of opinion about the latter and about whether the ISC should be a Select Committee. My hon. Friend the Member for Workington (Mr. Cam[illegible]ell-Savours) argued that case, saying that the evidence for it to have such status was overwhelming. I feel quite underwhelmed by the debate on the matter. I do not do so because I am worried about status—I am not a status politician or a status person, and I do not feel that our appointment by the Prime Minister gives us some great and grand role and that all wisdom is ours. Having spent 15 months on the Committee, I can say that on occasion it is not ours at all, so I do not buy that argument.

On the question of how we operate as a Committee within the "ring of secrecy", which is a broad brush, but under the Official Secrets Act, I have worked on two Select Committees and have now spent 15 months as a member of the Intelligence and Security Committee, and I realise that it would be difficult for our Committee to be a Select Committee. For example, where would we meet? The public can be removed from Select Committees, but that is done only rarely. Our Committee has no public gallery and most of our questioning and information gathering would preclude that. I suspect that it would be difficult to find a Committee Room in the House in which evidence could be heard in confidence without spilling over into the Corridor. So, there are logistical problems. Some hon. Members think that it would be an easy operation, but because of the very nature of the evidence that we take and the people we interview, we would inevitably end up in the room in the Cabinet Office where we take evidence now, doing so under the same conditions.

My hon. Friend the Member for Workington ended his remarks by saying that what matters is the nature of the people on the Committee and I agree, but that is true of the Committee now. It does as good a job as any Select

Committee could do. So, we should not spend too much time arguing that it should be a Select Committee without considering what it does.

Mr. Campbell-Savours: I listened carefully to my hon. Friend's reasons for rejecting my argument. He gave two reasons, which were logistical—where the Committee could meet and whether conditions would be secure—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I remind the hon. Gentleman that he should be addressing the Chair.

Mr. Campbell-Savours: Is my hon. Friend saying that, if we could find a secure location in the House, he would change his position? I listened carefully to what he said.

Mr. Barron: Let me finish. The direct answer to that question is no.

Mr. Campbell-Savours: What is the other answer?

Mr. Barron: It is a great pity that my hon. Friend the Member for Sunderland, South (Mr. Mullin), the Chairman of the Home Affairs Committee, is no longer sitting next to my hon. Friend. In his speech, which I thoroughly enjoyed, he said that the Committee has to take what it is given—that is not my experience; we ask for and receive some materials that are not offered to us—and that it has no powers to call for papers and witnesses. I might disagree with that, but I would not want the Committee to have the power to call for papers. There are some papers that no one should be able to see, because of the dangers of certain information ever getting out.

My hon. Friend the Member for Sunderland, South also said that Select Committees, in theory—he smiled when he said that—are appointed by Parliament. I know why he smiled, because I suspect that, like me, he got a phone call last May about what Select Committee he wanted to be on and, perhaps, whether he wanted to chair one. I had such a phone call from the Executive, but I am pleased to say that I turned down the request and have been able to sit on the Intelligence and Security Committee for the past 15 months, where I have learnt a lot more about intelligence and security than, with all respect, I would have learnt by questioning my right hon. Friend the Home Secretary or other Ministers. We see many things in the ring of secrecy that we would not see if we were a Select Committee.

Mr. Campbell-Savours: I put it to my hon. Friend that, irrespective of the smile of my hon. Friend the Member for Sunderland, South (Mr. Mullin), the power rests with Parliament, because we can object. When we were in opposition, I blocked the membership of a Select Committee of a Conservative Member, and in the end his nomination was withdrawn; so we are in a position to exercise that power when Parliament itself decides who should be on the Committees.

Mr. Barron: I will not rehearse what happened with the two Select Committees that I served on, but I do not think that the decisions were taken in the Chamber; they were more likely taken in the Whips Office.

Mr. Deputy Speaker: Order. This is very interesting, but it is straying outside the terms of our debate.

Mr. Barron: Thank you, Mr. Deputy Speaker.

It has been suggested that the Committee should have an investigative arm so that we can consider certain matters in detail. I hope that people in the security and intelligence agencies realise that we do not want a roving brief to allow us anywhere in those agencies. We want to be able to send someone into an agency to investigate a specific matter when we feel that to be warranted.

Many events might trigger such an investigation—I do not want to speculate how many times a year that would happen; it might not even happen at all—but we, like many other parliamentary Committees, work on a parliamentary timetable, and events that should be investigated quickly often happen when we are not here in London. We could not easily reconvene the Committee for such an investigation, which is why we should strengthen our powers to enable us to send someone who is independent of the agency to look at papers and reassure us, we hope, that whatever allegation has been made is not true.

At present, all or most of the allegations made against the agencies go unanswered. I can understand that, because once they started responding to one question, that would beget the next and the next, and the process would run out of control. It would be difficult for the agencies to be more open with the general public in that way, so it would help if we had the right to send in an individual to consider a specific issue, after which the Committee could make a public statement.

In the past 15 months, I have had an insight into areas that would have been completely closed to me before. I was as sceptical as the next person about the security agencies and what they do for the country, but I have been greatly impressed by the way in which they operate both inside and outside the country and by the advice that they give. The people in the agencies are the most professional people I have ever met.

If the Committee strengthened its oversight, we would be able to tell people that the security and intelligence agencies are doing positive things on our behalf, for the good of the country; then more of the general public would recognise that.

8.26 pm

Mr. Clive Soley (Ealing, Acton and Shepherd's Bush): I apologise for missing about an hour and a half of this debate. I was attending a meeting with the Speaker on modernising the House of Commons to make it more effective in examining the Executive, which is not a million miles from the subject in hand.

I congratulate the Government on holding this debate, because it is not long ago that we were told that it was not possible to debate these issues. As the right hon. Member for Bridgwater (Mr. King) said, only four or five years ago MI5 and MI6 did not exist in any statute. It always struck me as odd, as I remember saying 10 or 15 years ago, that two of the most famous security services in the world—admittedly, that fame is largely owing to Ian Fleming's James Bond character—had no statutory existence.

Those intelligence agencies were created at a time when the House had begun to lose some of its effectiveness in holding the Executive to account. I support the call by my hon. Friend the Member for Workington (Mr. Campbell-Savours) for the Committee to be a normal Select Committee, subject to the

[Mr. Clive Soley]

constraints that he rightly set out, because when we refuse to do that we send out the message that we do not have confidence in our Parliament. That is why other countries have a conventional scrutiny system.

The members of the present Committee are good people and they are doing a good job but, because they were appointed under the relevant statute to answer to the Prime Minister, they are a group of parliamentarians who have been asked by the Executive to keep the Executive under observation. The Select Committee system is there to hold the Executive to account more effectively, and that is why it should always be used to represent the House. My hon. Friend the Member for Rother Valley (Mr. Barron) rightly drew attention to the fact that the Whips have an enormous say—ultimately, the real say—in deciding the membership of Committees. Things could go off the rails, as they occasionally do—[*Interruption.*] Quite right; it is very rare. Increasingly, however, people are questioning that position and they have reason to do so.

Mr. Campbell-Savours: May I request my hon. Friend not to be modest and to state who he is, for the record and so students outside who may read our debates are aware of it? He is the chairman of the Parliamentary Labour party, representing two-thirds of the House of Commons. I am sure that his comments tonight reflect the views of many of the members of the parliamentary Labour party.

Mr. Soley: This matter is open to discussion in the parliamentary Labour party and in the Conservative party. Many Labour Members would not agree with what I am saying, although many would. The important point is that over the past four or five years we have moved so dramatically. We were told that we could not discuss the issue and, indeed, if we went to the Table Office, we were told that we could not table a question on it. No one, least of all me as chair of the parliamentary Labour party, is going to pretend that the party system does not play a crucial role in ensuring the governance of the country. It always has and it always will, but a delicate balance must be struck between the rights of the party and the rights of parliamentarians. As the chair of the parliamentary Labour party, I have to be aware of that balance and take it into account in my judgments.

Mr. Rogers: Does my hon. Friend accept that this issue has never been the subject of debate in the parliamentary Labour party and that we have never voted on it? He speaks in a personal capacity tonight, not on behalf of the parliamentary Labour party.

Mr. Soley: Of course that is so and I did not introduce the subject of the post I hold.

Mr. Rogers: He is going on about it.

Mr. Soley: I ask my hon. Friend to listen to what I am saying, especially as he intervened. The position is not as stark as he maintains and there are arguments on both sides. All I ask him to do is to listen to the argument and bear in mind that all the things we were told could not take place four years ago—the tabling of questions, debates such as this and reports by parliamentarians on security services—are now all happening. Change does happen and the House is an agent of change.

The confidence of Parliament is critical. In the last century, when Parliament was at its greatest, it would not have accepted a situation in which the Executive could set up bodies that then answered to them. Parliament would have resisted that, but we lost that attitude at about the time of the first world war. I have already mentioned the difficult balance between the rights of parties—the need for parties to maintain unity to be able to govern—and the rights of parliamentarians to hold the Executive to account, which is, after all, this place's final purpose.

My next subject is slightly tangential, but crucial to the work of the Committee. Several hon. Members have referred to the actions of disaffected members of the security services and others in the civil service in passing secret information into the public domain. They have done so for two reasons, either because they have a resentment against the security services or want money—Peter Wright and "Spycatcher" is the classic example—or because they felt it was right to reveal information in the public interest. The two cases that I have in mind have nothing to do with the security services directly—one is Clive Ponting and the other is the rather sad case of Sarah Tisdall, the 23-year-old who was sent to prison, having given information to *The Guardian*.

The Secretary of State for the Home Department (Mr. Jack Straw): Blame *The Guardian*.

Mr. Soley: If I remember rightly, *The Guardian* lost an action on the matter, but the point is that the Official Secrets Act—and Labour party members have long argued this—needs a public interest defence so that we can differentiate between those who reveal information for money or fame and those who do it because they see it as a public duty. Clive Ponting and, probably, Sarah Tisdall, fall into the latter category, but Peter Wright does not. I urge my right hon. Friend the Home Secretary to consider whether we should, in the future, change the Official Secrets Act so that the courts have a much clearer guide to differentiating between those who reveal information because they are disaffected or want money and those who believe that they have a right to do so because of legitimate public interest in democracy and the rule of law. We must never forget, when discussing the security services, that we are discussing a vital arm of the defence of the state. I have always, and without reservation, held that the security services are necessary in any modern state. They are there to protect the very democracy and rule of law that brings us here and if we ever allow that fact to get out of focus, we will go wrong.

I turn now to the issue of personnel management. I congratulate the right hon. Member for Bridgwater and his colleagues on picking up that issue. It came to my attention some years ago and it highlights the wider problem of how the agencies are set up and operate. In Shepherd's Bush where I held my walk-in advice surgeries at the time I used to get a wide variety of local people, but I was surprised one evening when a person came to see me and, after a short discussion, it became apparent that he was an MI6 officer, as they were then called. His problem had to do with the classic situation of being grossly discontented with the way in which the service operated. Having spent some time with him, ther

and on another occasion, I took the matter up with the then Home Secretary, now Lord Hurd. I was told some time later that the matter had been investigated by management and it was felt that it had been properly handled. The person involved did not know that and neither did I. Indeed, I am now satisfied that it had not been properly handled, because another incident took place a year or two later—which also came about partly through my advice surgery—that suggested to me that management in the security services was failing badly.

The various efforts that have been made to deal with staff problems are very important, as my hon. Friend the Member for Rother Valley mentioned. We must take into account staff who have personality or social problems, such as drinking or family problems, as well as those who feel seriously aggrieved about their treatment as employees by the agency. Such people feel they have no voice and can end up, bizarrely, tootling down the Uxbridge road to see their local Member of Parliament. I am all for people seeing their local Member of Parliament, but there has to be a better way to deal with the issue. At the time, the man who came to see me had no alternative and he dealt with the problem responsibly. At the end of the day, he and I felt that it had not been adequately addressed.

My final point is on the question of files. The former Under-Secretary of State for Women, my hon. Friend the Member for Lewisham, Deptford (Ms Ruddock) spoke powerfully about the issue and made the case as well as it could be made. Her speech should be sent round to schools as a good introduction to civics.

I have a question for my right hon. Friend the Home Secretary relating to—I think—paragraphs 46 and 51, which deal with summaries on candidates for election. I have no reason to believe that those matters are inappropriately dealt with as a rule, but I am concerned that hon. Members on both sides of the house have, to my certain knowledge, had regular dealings over many years with political representatives of paramilitary organisations in Northern Ireland. The previous Secretary of State for Northern Ireland was courteous enough to tell me that he could assure me that my phone was not bugged. I had not asked about it, and was not troubled by it, but he offered the information. I was aware, therefore, that that thought existed, and it was clear that bugging happens in limited circumstances.

I am anxious to know, therefore, that any information held on a Member of Parliament, or on anyone who stands for election, is judged properly. If one believes—as, to be fair, many Conservatives did—that it is necessary to talk with political representatives of paramilitaries in Northern Ireland, even at the height of violence, it is important to be able to do so with confidence that one's phone is not being tapped. That matter is retrospective now, but it is profoundly important.

Members of Parliament must be able to talk to people who are not wanted by the police for any criminal offence freely and without fear that they are being recorded and might be considered, as my hon. Friend the Member for Deptford has said, a threat to national security. There is a delicate balance to be struck. I know of cases, in the recent history of Parliament, of individuals who would have had real concern about that. I raise the point because several of us, myself included, were involved in talks supported by the then Government involving representatives of paramilitary groups. I always drew the line at talking to anyone whom I knew to be wanted for a criminal offence of any kind. I would, however, talk to anyone who was elected, or who represented a legal organisation.

The Committee deals with crucial areas concerning the importance of Parliament, management structure and how we deal with elected representatives. We should never lose sight of them.

8.42 pm

Mr. Robert Sheldon (Ashton-under-Lyne): I want to raise only two matters that arise from my long experience as Chairman of the Public Accounts Committee. That experience was long only because we were not successful in winning elections, which meant that the Opposition were able to elect the Chairman of the PAC. The two matters are fraud, and the ability to investigate areas of security and sensitivity.

There is a clear danger of fraud wherever there are security matters. Obviously, not many people can be involved in making decisions, even financial decisions. An extreme example of that occurred in the Metropolitan police. There was a fellow named Williams who had authority to place orders and to make payments. He was buying helicopters. The police did not want the criminals to know that they had that kind of surveillance, so Williams was given that power. He pocketed £5 million, went off to Scotland and bought most of a village and a hotel. He lived the life of a lord, and everyone assumed that a wealthy relative in Norway had provided the money. Every Sunday, he returned to London to cover his tracks.

That is the sort of case that can happen. It is very difficult to uncover such cases when there are matters of great secrecy, so there must be proper procedures, no matter how important security is. It is obvious that one person must never be made responsible both for placing orders and for receiving the money. Less obviously, there must be some investigation from outside. In that case, the investigation was made by the Comptroller and Auditor General, a marvellous institution that both does the audit and understands what is going on. In the Ministry of Defence, people from the National Audit Office are placed permanently to see what is going on. Some information filters through to the PAC, rather more filters through to its Chairman, and that is enormously important in giving an understanding of how the system works, and allowing rules to be laid down for procedure.

Another case was that of Al Yamamah, a £20 billion contract with Saudi Arabia, which was investigated by the Comptroller and Auditor General. How should we handle matters of such sensitivity? I informed the Committee of the matter, and it allowed me and the senior Conservative Member of the day, Michael Shaw—now Lord Shaw—to act as the full Committee. We pursued the matter together. If there had been any fraud or bribery in the Ministry of Defence, there would have been no question of secrecy. We would have let that be known in order to preserve the standing of the public service in general. In fact, there were matters concerning certain overseas individuals that we thought might be disadvantageous to our continuing with that important contract. We were able to assure ourselves that there was nothing more than that.

[Mr. Robert Sheldon]

The PAC has long been in favour of the ability to pursue public money wherever it may go. We do not have that power now and we did not have it then. I hope that the Committee may get that power at some future stage. It was discussed in 1983. Following public money wherever it goes happens in the United States of America and other countries.

My other point relates to the security services—MI5 and MI6 in short. We considered their two buildings, about which I shall not comment much except to say that I wish they were not quite as obtrusive as they are. There should be a certain amount of discretion not only in the services, but in their buildings. The one on the other side of the Thames is almost a disgrace, although that is a personal observation that has nothing to do with my former position as Chairman of the PAC, which ended last year.

I was concerned when we investigated the buildings. I read a secret report from the Comptroller and Auditor General, and I could see that there had been an overspend that had not been reported to the House. There were certain reasons for the overspend, and certain security implications into which I cannot go. However, the fact that there were overspends on both buildings should have been known. Until I ceased to be Chairman of the PAC, I was pursuing the matter to make sure that it was known. Unfortunately, the general election intervened, and my role on the Committee ended.

The crucial point is that there is a need for an investigating arm. There is the Comptroller and Auditor General, but the Intelligence and Security Committee needs someone to perform that role. It needs a highly respected and responsible person who has the approval of Government and Parliament and who is able to undertake investigations. Knowing our civil servants and public-spirited individuals, it would be astonishing if we could not come up with one or two names of people who could undertake such activity.

No one can deny that are several things going wrong in our security services. There have been too many reports of one sort or another. While the right hon. Member for Bridgwater (Mr. King) can undertake certain investigations—I pay tribute to his valuable work—that facility is limited. We need someone inside the bodies concerned to help us find out what is going on. The person with that responsibility must have the respect of people generally. I hope that the Committee will return to this matter in due course.

8.49 pm

Dr. Gavin Strang (Edinburgh, East and Musselburgh): It is clear from the debate that the House values the third annual report of the Intelligence and Security Committee. We are all grateful for its work. The right hon. Member for Bridgwater (Mr. King) brings much experience to it and he and its other members have served the House well.

There can be no argument about the importance of the work of the security services. The report recognises the huge value of their work when it is successful. As many, including the Foreign Secretary, have noted, in the main it is by definition not sensible or practical to focus attention on their successes. The report is valuable and contains much useful material on personnel management and on the compilation, retention and destruction of personal files. I, however, wish to discuss the security services' priorities.

There are clearly many valuable things that the security services can do, but resources are limited. The end of the cold war provides a great opportunity. Understandably, most of the focus of the media has been on the new work that they are doing on drugs and crime. I am sure that my right hon. Friend the Home Secretary values that work, where they are able to contribute.

I want to concentrate on other areas. The report's preface states:

"Moving British forces on humanitarian or peace-keeping missions into dangerous and untested territory requires the best possible intelligence on the local situation, and a close watch on what may be rapid and threatening changes in very volatile circumstances. Britain's involvement in such activities has also resulted in new terrorist threats to British interests."

We are proud of the contribution of our forces to peacekeeping—the Foreign Secretary mentioned Bosnia—but the work of the intelligence services in that respect is crucial and should be strongly supported.

My second point concerns the growth of international terrorism. There is huge growth in world aviation, and that will continue. That means more threats to aircraft, to mention but one aspect of international terrorism. If the intelligence services can contribute to reducing the number of hijackings, that would be an important service.

Thirdly, the preface mentions the important matter of the proliferation of nuclear weapons and other horrific modern weapons capable of huge destruction. If the intelligence services can increase our knowledge, especially of those countries that are developing such capabilities, it must be of immense potential value to our people.

Supporting our forces, international terrorism and the proliferation of weapons of mass destruction are by definition areas of great international interest. It follows that our intelligence agencies work with other agencies. That is how it should be. There are established democracies like ours with viable services, and by working together, they can achieve more. However, hard decisions must be taken on the priority and resources allocated to those activities.

On page 9, the report gives a figure for total expenditure of around £700 million. Paragraph 19 states:

"Figures for the individual Agency budgets are not at present published. The Committee believes that the fullest information should be published wherever possible, and will be discussing further whether there could be greater openness in this area."

All power to its elbow.

We know that, by definition, the intelligence services must be treated differently. No one wants transparency that compromises their work, but although decisions on the priority attached to different activities are for the agencies and the Government, Parliament and the broader community should also be able to participate. I hope that the committee will be able to provide more information and more of a breakdown of the resources allocated to different activities so that we can all contribute to the development of a set of priorities that commands the broad support of Parliament and the country.

We all hope that the significant sum of money still allocated to combating terrorism associated with Northern Ireland will come down; it is too early to say. If it does,

we can have a constructive debate on how that money can be effectively used to help further the benefits that the security services have the potential to bring to our people.

8.56 pm

Mr. David Winnick (Walsall, North): This has been a good debate marred only by the characteristic contribution of the hon. Member for New Forest, East (Dr. Lewis). He went to great lengths to tell us that the World Peace Council was a Soviet front organisation, but as everyone in politics and, I assume, in this House, knew that from day one, it was not startling news.

Whenever there is a call for greater accountability of the security services, the fear is always expressed, as it has been to a limited extent today, that that would undermine the work being undertaken. That was the excuse for retaining the ban on unions at GCHQ from the beginning of 1984. Labour opposed that ban and promised that once we were elected, it would go, as it did within days of our victory last May. Would anyone suggest that in the months that have elapsed since, its work has been in any way undermined by the fact that people have the right, which they should have in a democracy, of belonging to a trade union and having the union recognised by management?

In the not-so-distant past, any form of parliamentary Committee was opposed. It was long argued that it would be wrong for parliamentarians to be involved in examining the work of the security services.

In the 1983 Parliament, when I was a member of the Home Affairs Committee—I am again a member of that Committee—it was decided to look into the work of the special branches of the police. As far as I know, it was the first time that that had ever been done by a parliamentary Select Committee. Critics outside argued that we should not do that, as the special branches worked closely with the security forces. However, we did. Our report was not unanimous; it was a majority-and-minority report, but no one suggested afterwards that the work undertaken by special branches was undermined as a result of our inquiry.

There has been a tendency to question whether such work should be undertaken. As I have said in the past, I have never doubted that even if there were no terrorism in Northern Ireland, from Republican or Loyalist sources, or even if international terrorism did not exist, the work of the security services in a democracy such as ours would be essential. Moreover, I know of no democracy, let alone dictatorship, where such work is not undertaken in some form or other.

Those involved in extremist organisations that want to undermine and, if possible, destroy parliamentary democracy should be targeted. Who would suggest that the National Front, the British National party or other such organisations should not be targeted? No Labour Member would suggest that extremists on the ultra left who carry out activities that are not meant to advance the cause of parliamentary democracy should not be targeted. How far they should be targeted is a matter of judgment for the security services, but I have never disputed the fact that such work is necessary.

It is important, however, that the security services should carry out such work with the clear understanding of what they are about. The former Under-Secretary of State for Women, my hon. Friend the Member for Lewisham, Deptford (Ms Ruddock), explained what happened to her as a result of being involved in the Campaign for Nuclear Disarmament. She quoted Cathy Massiter, a former MI5 employee, whom even Conservatives, I believe, respect for the manner in which she spoke out. She concluded that much of the work that she was doing was simply wrong, and said:

"Anyone who was on the Executive of the National Council for Civil Liberties"—

now known simply as Liberty—

"who worked for the organisation, was an active member to the degree of being, say, a branch secretary of the organisation, would be placed on permanent record and routine inquiries were instituted to identify such people and police inquiries were sought."

These people were not extremists. Indeed, it can be argued that they did a useful job in defending our civil liberties. How can what happened possibly be justified?

In an Adjournment debate on 21 December 1983, I raised the case of a constituent of the right hon. Member for Sutton Coldfield (Sir N. Fowler). Mrs. Madeline Haigh made no secret of the fact that she was a CND activist. She wrote to the press and was, as far as anyone could tell, a perfectly law-abiding person. However, police investigations took place and she was lied to. The right hon. Member for Sutton Coldfield, I see, nods his head. The reply that he received was not the truth. Being a determined person, Mrs. Haigh wrote again to her Member of Parliament. The right hon. Gentleman—he was a Minister at the time—carried out his constituency duties in a proper manner. He wrote again to the chief constable and received a different reply, which showed that the police had lied to his constituent.

Incidentally, I do not wish to pre-empt Thursday's debate, but the point can be established that once a Member of Parliament is elected, he serves all his constituents, not necessarily according to policy. I doubt whether Mrs. Haigh voted for the right hon. Gentleman. As we all would in such circumstances, he carried out his duties and no one can criticise him. The case caused much concern, which is why I raised it at the time.

As we know, since the early 1980s commissioners and tribunals have been established. One argument that is constantly advanced is that those commissioners and tribunals should be able to avoid some of the abuses that have occurred in the past, but paragraph 58 of the ISC report points out that none of the tribunals has found in favour of a complainant. The decisions of those tribunals may well have been justified, but I wonder whether such commissioners and tribunals could be relied on to be the custodians, or guardians, in circumstances in which abuses could occur in the security services.

Mr. Rogers: As my hon. Friend will remember, when we served on the Standing Committee considering the Bill that became the 1994 Act, we were given statistics showing that, during a period just before 1994, some 51 cases had been referred to tribunals, and none of those tribunals had found in favour of a complainant.

Mr. Winnick: Indeed. Paragraph 58 also states that, as the Committee had had no access to the material involved, it had been unable to make a judgment. That is entirely understandable.

I welcome the Committee's conclusion in paragraph 69 that it wants "an additional investigative capacity". I am sure that my right hon. Friend the Home Secretary will be able to tell us whether the Committee will be given the necessary powers.

[Mr. Winnick]

Perhaps engaging in a bit of mischief making, my hon. Friend the Member for Workington (Mr. Campbell-Savours) predicted that I would quote what had been said by Front Benchers and other Labour Members in opposition. I shall not do so, because it would serve no purpose; but I will say that, in opposition—certainly around 1994, when we were discussing these matters—we took the view that there should be some sort of parliamentary Select Committee rather than what was being proposed, namely the ISC.

I do not challenge the contention that, in government, it is possible to change or at least modify one's opinion, but I must tell my right hon. Friend the Home Secretary ..... I should be happier if the Government did not close their mind to the possibility of a Select Committee. No one is suggesting that my right hon. Friend will tell us tonight that such a Committee will be formed, but I hope that the Government will give it serious consideration.

Let me make two final points. First, I do not believe that this issue will go away. The fact that debates such as this take place—like other hon. Members, I have initiated them in the past—demonstrates that it is an on-going issue. Secondly, although some have opposed the establishment of any parliamentary Committee, no one—not even the hon. Member for New Forest, East—has today challenged the existence of the Committee chaired by the right hon. Member for Bridgwater (Mr. King), despite all that has been said in the past.

I very much doubt that, if and when a parliamentary Select Committee comes into being, anyone will stand up in the Chamber and say that it should no longer exist. In other democracies, the security services are subject to much more parliamentary accountability, and I personally will not be satisfied until ours are too. We have taken the initial steps, and we have had a useful debate today. As I have said, I hope to hear from my right hon. Friend words that will encourage me to believe that, in the not-too-distant future, we will have the parliamentary accountability that we said we wanted when we were in opposition.

9.8 pm

Sir Norman Fowler (Sutton Coldfield): This has been a valuable and exclusive debate, although perhaps not quite as exclusive as it looks at the moment. I congratulate the members of the Intelligence and Security Committee, many of whom have spoken, on the way in which the Committee has been accepted and is trusted by the security services. In particular, I congratulate my right hon. Friend the Member for Bridgwater (Mr. King) on the way in which he has led the Committee. We are fortunate to have a man of his experience and integrity as its Chairman.

In the debate, there were two features of particular significance. First, there was general agreement that, even though the old iron curtain may have been brought crashing down, there was still a need for the security services; that point was made by my right hon. Friend the Member for Bridgwater and by the hon. Member for Walsall, North (Mr. Winnick). It has not been a matter of the security services inventing new threats or new roles for themselves. Those threats were already there to be tackled. In particular, there was the threat of organised crime and of drugs.

Secondly, there was a recognition generally throughout the debate that special circumstances applied to the security services in respect of secrecy. Throughout the world, people will not take risks unless they are confident that every effort will be made to preserve their secrecy. Every reasonable effort must be made to do that, including personal management of the services themselves.

There was less agreement on how those principles should be put into practice, particularly on the nature of the committee that should oversee the security services. Several Labour Members—the hon. Members for Workington (Mr. Campbell-Savours), for Sunderland, South (Mr. Mullin), for Walsall, North and for Ealing, Acton and Shepherd's Bush (Mr. Soley)—argued for the Committee to be a Select Committee of the House. Indeed, the hon. Member for Sunderland, South pointed out that at one stage the Labour party said that that was its policy.

I am glad to say that I am entirely unencumbered by such a pledge, which is just as well. In any case, I would not accept the argument, because I am persuaded more by the argument of my right hon. Friend the Member for Bridgwater, the right hon. Member for Berwick-upon-Tweed (Mr. Beith) and the hon. Members for Rhondda (Mr. Rogers) and for Rother Valley (Mr. Barron), as well as my right hon. Friend the Member for Haltemprice and Howden (Mr. Davis): the way forward is to seek to develop the present structure—to add, as the report proposes, an investigative capacity to the Intelligence and Security Committee.

That is a sensible step forward. That is the way in which to proceed. The Committee has the confidence of the security services. That is important because, without it, it would be easy for the shutters to come down. We all know that that is true. We all know how these things work, but an investigative capacity would enable the Committee to dig deeper.

A strong case has been made with regard to the destruction of personal files and the introduction of some form of independent check. The point was made by the hon. Member for Pontefract and Castleford (Yvette Cooper) and supported by my hon. Friend the Member for New Forest, East (Dr. Lewis). There are two issues. There is the issue of operational use, and the security services are the only people who can decide that. However, there is also, if I may put it this way, the requirement of history. It would be a great mistake if files were destroyed that could throw light on policies and, sometimes perhaps, on personalities at the time. The Government should look at that matter again.

Another point that was raised—*[Interruption.]* May I have the attention of the Secretary of State for Foreign and Commonwealth Affairs for a moment because it was raised by him in the debate, but not taken on? He referred to the three security agencies and asserted:

"It makes sense because they work so closely together."

If that does work as perfectly as the right hon. Gentleman suggests, it is fairly unusual in Whitehall.

Mr. Straw: Not now.

Sir Norman Fowler: I am glad that the right hon. Gentleman said that. However, I would find that defence more convincing were it not for the Pinochet case, where

it is clear that the Home Secretary had not the first idea of what the Foreign Secretary knew. The Home Secretary makes my point in a wonderful way, and I rest my case. I suggest to my right hon. Friend the Member for Bridgwater that this area should again be examined very deeply, as that obviously would have the thorough endorsement of the Home Secretary.

In looking at the recent history of the security services, especially in regard to subversion, we need to recognise that many of those whom the services had to investigate in the past were members of parties and organisations that made no secret of their wish to undermine parliamentary democracy. I in no way refer to the Campaign for Nuclear Disarmament or the hon. Member for Lewisham, Deptford (Ms Ruddock). However, there was no doubt about the objectives of some of the organisations, for example, the Communist party of Great Britain, which set great store by seeking to infiltrate and manipulate organisations such as trades unions. It achieved only negligible support at the ballot box, but sought to gain an influence that was far out of proportion to that. Such activity was a legitimate subject for attention by the Security Service. It was of concern not only to the last Conservative Government, but to successive Governments.

All that is history. Now, the major effort of the Security Service is aimed at terrorism, both in Northern Ireland and internationally. That point was made well by the right hon. Member for Edinburgh, East and Musselburgh (Dr. Strang), with whom I am glad to be debating again. Terrorism plotted to cause terrorist outrages overseas. We all hope that the new position in Northern Ireland will lead to a reduction in the work of the Security Service. However, at the moment, there is no reason radically to reduce the resources going to that area. It would be a vast mistake to lift our guard too early. There is still a range of breakaway groups that presents a huge challenge.

Intelligence gathering against terrorists is difficult and often dangerous work. Many of those who work in this area risk their lives. As the former head of the Security Service, Stella Rimington, said in her Dimbleby lecture, they do it from a sense of public service and a firm belief in the rule of law and the democratic system. There have been major losses as a result of that work, such as the helicopter crash in 1994. I was with the then Prime Minister in Downing street when news of that crash came through. We have much cause to be grateful to those who work for the Security Service, often in very difficult and dangerous circumstances.

Mr. Peter Viggers (Gosport): I am grateful to my right hon. Friend for giving way, especially as I have not been here during the debate, having fulfilled a long-standing commitment in my constituency.

As I am a former Northern Ireland Minister and a member of the Defence Committee, hon. Members will not be surprised to hear that I have occasionally come into contact with the security services. I want to pay tribute to their professionalism and dedication. Individuals carry heavy personal responsibility, often at an early age. It is a worthy commitment and long may first-class people come forward to fulfil it.

Sir Norman Fowler: I am grateful to my hon. Friend. I pay tribute to his work in the Northern Ireland Office.

Important points on accountability have been very much rehearsed in this debate. However—this is my main concern—we must also address other vital issues, such as the agencies' effectiveness, and whether the agencies realise their full potential to do good. The one point on which everyone seems to be united is that the security services have a vastly important role in tackling organised crime, especially the drug trade. Effective operations undoubtedly make full use of intelligence in combating professional crime. Indeed, in the past 10 or 15 years, use of intelligence by police has been one of the most significant developments in fighting crime.

In his introduction to the Committee's report, my right hon. Friend the Member for Bridgwater states:

"In recent years there has been a growth in serious organised crime, funded significantly by the world-wide trade in drugs. The collapse of the Soviet Union and the removal of barriers to travel from those countries let loose dangerous new criminal groups, often including ex-members of the KGB and other intelligence and security services. They have a substantial involvement in drugs and money laundering and, increasingly, in the traffic in illegal immigrants".

At paragraph 4 of the Government's response, the Prime Minister states:

"The Government welcomes the Committees's strong support for the increased priority the Agencies are giving to counter-drugs work. We shall continue to harness the invaluable contribution which they make to this important task."

We all agree on the challenge. However, I tell the Home Secretary that it would be a tragedy if the Prime Minister's words were simply the usual generalisations that Ministers tend to make about organised crime and especially about drugs. I heard the Foreign Secretary's statement about £200 million-worth of drugs being recovered in the past three years. Although that is good, personally, I remain to be convinced that our efforts are adequate to meet the increased challenge posed by organised crime.

I returned recently from the United States, where I saw the work of the Drug Enforcement Administration. The DEA was created in 1973 as a response to increased cocaine processing in south America and heroin refining in south-east Asia. It not only is the lead agency for domestic enforcement of federal drug laws but has sole responsibility for co-ordinating and conducting crucial drug investigations abroad. The DEA is determined to tackle the source of the drugs trade, and the very powerful criminal organisations that are behind the exploitation. Essentially, the DEA performs the very task that everyone has in mind for the security services, particularly the SIS.

The United States is much better resourced than the United Kingdom. Nevertheless, some indication of the emphasis that it is placing on the fight against drugs is provided by the fact that the DEA has a staff of 7,500, with 340 special agents in foreign countries, laboratories and 100 aircraft performing surveillance work. That gives some idea also of the challenge that the United States faces.

The United States operations against the drugs trade are relevant to our operations. Although it may not always be the same criminal organisations from the same parts of the world attempting to bring drugs into the United Kingdom—and too often succeeding—the type of threat is very much the same: exploitation of the public by entirely ruthless and professional criminals.

International developments sometimes have consequences for us. South America, for example, is displacing south-east Asia as the major source of heroin

[Sir Norman Fowler]

in the United States. What happens to the heroin from south-east Asia? It goes to a developing market in Asia; it has also meant a new concentration on Europe.

Increasingly, organised criminals are trafficking not only one drug but any number of drugs for which there is a demand, or for which they think a demand can be created. By any standard, it is a serious and professionally organised operation. It is a brutally organised trade. We have now recognised, by statute at least, that we face very much the same kind of threat.

The SIS and GCHQ can now, by statute, be involved in combating serious crime. I do not share the view of Liberty that those organisations' powers are too wide. Liberty says that they can cover "relatively minor crimes" such as robberies. It depends on one's view of minor crime, but it had not hitherto occurred to me that robbery fell into that category.

The Security Service Act 1996 gave the Security Service the function

"of acting in support of the prevention and detection of serious crime".

I support the legislation's aim, but I am still sceptical about the resources that we are devoting to tackling organised crime. My understanding is that the Security Service is able to devote only a very small percentage of its resources to that. It is difficult to make a complete and accurate assessment of the figure, given the asterisks that appear in the report in place of the relevant sum. I think that I know the figure, but I shall not reveal it. In any event, the service spends only a small proportion of its resources on tackling crime. If one accepts the nature of the challenge, as I do, that proportion needs to be increased. We shall need to return to the issue of whether the effort that we are making is adequately resourced, or even whether it is given sufficient priority within the Budget.

This has been a welcome and valuable debate. The activities of the intelligence agencies must be subject to proper scrutiny—no one seeks to deny that—and the Committee deserves to be congratulated on its work. We must now develop that work but, above all, the aim must be to make the agencies as effective as possible because they have a continuing and invaluable role to play.

9.26 pm

The Secretary of State for the Home Department (Mr. Jack Straw): When the Intelligence and Security Committee was established, there were twin anxieties. There was an anxiety in the House that it would be a weak substitute, or patsy, for a proper, full-blooded Select Committee. The opposite anxiety, among the intelligence agencies, was that the prospect of a Committee of parliamentarians, if not a parliamentary Committee, would mean that the ring of secrecy, which was patently so important for the operation of those agencies, would be compromised and that their work would thereby be undermined. As experience has shown, both anxieties proved misplaced.

We have had a good debate not only on the ISC's work over the past year but, effectively, on its work in the four years since it was established. I shall deal in a moment with the proposals that have been around for a long time for changes in parliamentary scrutiny, but we know that, under the excellent chairmanship of the right hon. Member for Bridgwater (Mr. King), members of the Committee, who come from all parties, have done their job properly, as Parliament intended. The Committee has effectively scrutinised the work of the intelligence and security agencies. I have appeared before the Committee twice. The experience of giving evidence to the ISC is no more comfortable than giving evidence to the Select Committee on Home Affairs, which is as it should be.

Given the anxieties that I mentioned, the paradox is just how much the agencies have benefited from the establishment of the ISC. As a result of the establishment of the ISC, there is now a group of right hon. and hon. Members on both sides of the House who have knowledge and expertise about the operation of the agencies, but who approach the issue with independence of judgment. That is hugely to the advantage of the agencies, given that there is such widespread support and admiration for the important work that they do.

My hon. Friends the hon. Members for Sunderland, South (Mr. Mullin), for Workington (Mr. Campbell-Savours), for Pontefract and Castleford (Yvette Cooper), and my hon. Friend the Member for Ealing, Acton and Shepherd's Bush (Mr. Soley), who used to represent Hammersmith—it was better in the old days when he and I were up for that seat and, happily, he got it—all raised the question of whether we should replace the ISC with a Select Committee. Let me make a number of observations before not closing the door on the idea.

First, we should give the ISC time to develop. All members of the Committee supported the proposal that the ISC should have its own investigative capacity. As the right hon. Member for Bridgwater said, we said in paragraph 21 of our response that we intend to consider that request

"as sympathetically as possible and discuss with the Committee any necessary strengthening of its staff."

So we understand the case for that. A separate investigative capacity would obviously enhance the role of the Committee, and in the long run would be an important protection for the agencies.

Secondly, although I do understand the important points of principle to which my hon. Friends the Members for Sunderland, South and for Workington referred, there is an important difference in principle between a Committee established by the House—we all know that it is exactly the same in practice—and one established by Act of Parliament with appointments to it by the Prime Minister. If we are to continue discussing the issue, it is important to recognise that, in practice, the way in which any Select Committee would operate, if it were to operate effectively, would be little different from the way in which the ISC operates in terms of the ring of secrecy and there having to be some prior vetting—ultimately by the Prime Minister—of what is published in the Committee's reports and so on. That said, we do not close the door for ever on the idea of a Select Committee. We want to see how the new developments that are now in train work out in practice.

Mr. Winnick: My right hon. Friend said that the existence of the ISC has been to the advantage of the security agencies, although originally they had reservations. Is it not a possibility that a Select

Committee, with the restrictions that obviously would be necessary, would give the security agencies even more confidence? Is that not worth considering?

Mr. Straw: That is a seductive argument and it is certainly worth considering. With great respect to my hon. Friend, I shall leave the matter where I have just left it, which is that we should look to the strengthening of the operation of the ISC, which is only four years old. That is but a blink in the 1,000 years of Parliament's history—a matter that, no doubt, we shall discuss again on Thursday. Let us watch with care.

I shall now deal with the points raised by the right hon. and learned Member for Folkestone and Hythe (Mr. Howard), in addition to what he said about the ISC becoming a Select Committee. First, he asked about serious crime and organised crime, a point to which the shadow Home Secretary also referred. The right hon. and learned Gentleman was entirely right to introduce what became the Security Service Act 1996. We supported the provision to extend the role of the Security Service into serious and organised crime. As paragraph 17 of the report states, during the period covered by the report, there have been 24 separate taskings of the Security Service in respect of serious and organised crime. I have seen a great deal of the service's work and believe it to be a valuable addition to the law enforcement effort against serious and organised crime. The Security Service brings expertise not currently available in the police or Customs and Excise.

The Chairman of the Public Accounts Committee, the right hon. Member for Haltemprice and Howden (Mr. Davis), and the former Chairman, my right hon. Friend the Member for Ashton-under-Lyne (Mr. Sheldon) asked about resources and value for money. The National Audit Office has undertaken some value for money studies of the work of the agencies. That is very important. The NAO should have the fullest possible access to the work of the agencies.

My right hon. Friend the Member for Ashton-under-Lyne rightly reminded us that, if we take secrecy too far, we reduce internal accountability in the agencies. What happened in the Metropolitan police is a dismal story of an absence of the most basic systems for separating those who ordered services from those who paid for them.

The shadow Home Secretary asked about resources. As paragraph 19 of the report shows—this is not too partisan a point—the resources available to the services dropped significantly between 1994 and 1997-98. For a variety of reasons, some good and some not so good, the figure fell from £855 million to £707 million, then to £693 million last year. We are increasing the figure to £743 million for the next three years. Of course there is never as much money as has been sought, but that is a verity at all times for Governments and agencies. We believe that the services have adequate resources.

The right hon. and learned Member for Folkestone and Hythe raised the point about access by staff to industrial tribunals. Work is in hand on that. We shall report to the House when the work is complete.

The right hon. Member for Bridgwater made a wide-ranging speech in which he raised the importance of improving the agencies' internal security. That was reflected in the speech of my hon. Friend the Member for Rhondda (Mr. Rogers) and the sage remarks of my hon. Friend the Member for Rother Valley (Mr. Barron). The issue is how to nurture and treat the staff of the agencies, while ensuring that we spot any staff who are becoming disaffected before they are tempted down the road of chequebook treachery—in the resonant phrase of my hon. Friend the Member for Rhondda—which we see too frequently.

The service recognises that internal security has to be improved. Paragraphs 26 and 27 say that the Committee will return to study that in further detail. That is important, because this is a good example of the work of the ISC complementing the work of the agencies. The process of cross-examination and demanding more scrutiny of those internal procedures should raise the standards of internal security.

The right hon. Member for Berwick-upon-Tweed (Mr. Beith) asked about warrant signing—an old chestnut if ever there was one—and whether, rather than by Secretaries of State, warrants should be signed by commissioners along the lines of the commissioners established under the Police Act 1997. I should make two observations. The first was made by the right hon. and learned Member for Folkestone and Hythe, who said that the process of scrutinising and signing applications for warrants is one by which any holder of my office is able, day by day and week by week, to hold the agencies to account. It was not until I started on the process that I understood just how important it is as part of the line of accountability. It is not like having a meeting from time to time. The fact that warrant applications come through routinely and that one has the power to say yes or no to them means that the service must make a proper case for its operation and that the Secretary of State has responsibility to ensure that the law and its requirements are properly complied with. Behind any signature on the warrant, almost resting on one's shoulders, is the shadow of the interception commissioner, who is at present Lord Nolan. In my experience, Lord Nolan and his staff are very thorough.

Secondly, although I do not want to rehearse all the debates on the Police Bill that we had in the run-up to the election—even though I would be very happy to do so—I must point out that the argument at that stage was about the kind of system for authorising warrants other than that of a Secretary of State. It was generally accepted—certainly on both Front Benches—that, had any Secretary of State or putative Secretary of State been rash enough to volunteer to take over warrantry for intrusive surveillance as well as for interception, there would not have been an argument either at this end of the Palace of Westminster or the other. It was precisely because that was not on offer that we had to make other arrangements.

The hon. Member for Cheltenham (Mr. Jones) rightly refered to some important issues on behalf of his many constituents who work at GCHQ and, indeed, on behalf of the town of Cheltenham. GCHQ is dominant there both as an employer and in its rather questionable architecture. Other hon. Members on both sides of the House have referred my involvement—I say only partial—in the fact that there have been four director-generals of GCHQ in the past three or four years. I seek exoneration. I should point out that the present permanent secretary to the Home Office, David Omand, in respect of whose appointment as director-general of GCHQ I played some part, served for slightly longer than I have been Home Secretary. That, at least from the point of view of Conservative Members,

[Mr. Straw]

is a period that cannot come to an end too quickly. I cannot speak for David Omand's predecessors or successors.

Other issues that have been raised in the debate include the question of the holding of files. On 29 July I disclosed what I said I was going to in the Adjournment debate in February. Getting on for 300,000 files of one kind or another are held by the Security Service, although most of them are now closed. How those files are disposed of is very important. I am absolutely clear about one thing, which I made clear in the debate in February and again in July: no individual on whom a file may be held should have any say over whether a file should be disposed of.

It is extremely important to people's civil liberties as well as to a study of the history of this country that objective criteria should be laid down, which the Security Service should be able to follow. It is for that reason that we have asked the Lord Chancellor's Advisory Committee on Public Records, under the chairmanship of the Master of the Rolls, Lord Woolf, with the help of some very distinguished historians, to look at the criteria to be laid down. Their report will—I think—be made available to me just before Christmas.

Mr. Beith: Will the Home Secretary look again at the logic, or lack of logic, of the Government's response to this point? It is simply not the case to say that it would be second guessing if there were independent scrutiny of which files were to be destroyed. That will be long after operational decisions have been taken.

Mr. Straw: I shall look again at that matter and come back to Committee members.

Sir Norman Fowler: Does that mean that the Home Secretary will look again at the position of an independent check, because that is what is being urged?

Mr. Straw: Yes. The Committee has urged that there should be some kind of independent check in respect of files that have long ceased to have any operational value. The question whether a file is operational or not must be a matter for the director-general. There is then a separate question of whether a file that has had no value for many years should or should not be disposed of.

The first stage is that we are getting advice from the Lord Chancellor's advisory committee. The second issue is whether there should be any independent scrutiny of the decisions made about the disposal of the files. The Committee said one thing, and the Government have raised the issue of second guessing. Many representations have been raised this evening about whether we should think again and—without pre-empting our second thoughts on the matter—I am happy to take it away and think again.

Before I conclude, I shall refer to one other matter—the role of the commissioners and the tribunals. As the report makes clear, there have been a number of complaints to the tribunals and commissioners over the years but, so far, none of those has been successful. That could lead to the conclusion that the tribunals—despite the fact that they are chaired by eminent jurists—are simply there to whitewash the operations and poor practices of the agencies. On the other hand, it could mean that the internal processes of the agencies are sufficiently thorough so that—at least up to now—it has been quite appropriate that none of the complaints has been substantiated.

I believe that it is very much the latter, and not the former, that is the truth. In terms of interception, what has been striking to me—as someone coming entirely new to my role as one of the few Secretaries of State dealing with warrants—is how thorough the process is. Therefore, I am not surprised that no complaint has been upheld, and long may that continue. The interception of communications is, in principle and in practice, a serious violation of people's civil liberties, and it should take place only when the narrow criteria laid down in legislation are complied with.

I finish where my right hon. Friend the Foreign Secretary began—by paying tribute to a number of people. First, I pay tribute to the Chairman and the members of the Intelligence and Security Committee for the thoroughness of their work and for their independence of judgment, which shines through this report. Secondly, I pay tribute to a small group of officials in the Foreign and Commonwealth Office, the Home Office and the Cabinet Office who are very often unsung but have the important task on behalf of Ministers of monitoring the work of the agencies.

Thirdly, I pay tribute—and express the thanks of the whole House—to the staff of all the agencies. They do very important work—important to the security of this nation, important in terms of our economic well-being and important in trying to make our society safe from serious crime. Those are dedicated people who, because of the nature of their work, cannot speak for themselves. It is right today that Parliament and the House of Commons has spoken for them, and has recognised the value, importance and integrity of their work.

Mr. Mike Hall (Weaver Vale): I beg to ask leave to withdraw the motion.

Motion, by leave, withdrawn.

Millennium Tower, Portsmouth

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Mike Hall.]*

9.48 pm

Mr. Mike Hancock (Portsmouth, South): I am delighted to have this opportunity to raise an issue that is important for the people of Portsmouth and south Hampshire; indeed, I am sure that people in much of the United Kingdom will be interested to know about it. I am also delighted that we have a few extra minutes, as the hon. Members for Gosport (Mr. Viggers) and for Portsmouth, North (Mr. Rapson) have said, either to me or to the local newspaper, that they want to contribute to the debate—we would have been stretched if we had had only 30 minutes.

In March 1995, no one in the area opposed the decision by Portsmouth and Gosport to make a bid for funds for a landmark project. The bid offered a great opportunity for jobs, not only in the short term—in construction and in the many different aspects of the scheme—but in the long term, as a result of the development of new and existing attractions. As the then leader of Hampshire county council, I strongly supported the bid; indeed, I convinced my colleagues on the council to invest a great deal of money in the schemes, particularly in those in Gosport.

The schemes were put together in such a way that the community and many members of the council had little real input. They were dreamed up by people who had their vision and then brought other people in. No one can deny that those involved in the initial concept formed a close-knit circle—that may be how such ventures have to start, and I am not suggesting that there is anything wrong with it. However, at every stage, the public, especially in Portsmouth and Gosport, should have been brought in on the act—they needed to have a positive and meaningful share in the proposals. That did not happen.

There could be few doubts about some aspects of the project. Someone needed to step in to redevelop the older and more rundown areas of Gosport, particularly the former service establishment at Priddy's Hard. Realistically, only the millennium package would provide the opportunity for such investment.

There was also a need to rekindle development in the less rundown former Ministry of Defence establishments in Portsmouth. The Mary Rose, HMS Warrior, HMS Victory and the naval museum needed to be rejuvenated so that the heritage area could sustain the number of visitors that we had come to expect and that it had come to depend on. For the area, the millennium package was vital.

It was suggested that we needed something to spark the imagination of the Government, the nation and—most important—the Millennium Commission. The small team came up with the idea of a tower, although no one then knew what it would look like. We saw artists' impressions of cross-channel ferries sailing by the tower through a gigantic arch of water created by water cannon across the harbour between Portsmouth and Gosport. It all looked very nice.

I had been in local government in Portsmouth for nearly 30 years, and was leader of Hampshire county council. I had been a trustee of the naval museum and the Mary Rose, and had been actively involved in raising money for all the projects in the heritage area. Indeed, I had convinced the local authority to give the best part of £1 million to help the heritage area. However, I doubted whether a tower would be a viable proposition in that area, for reasons that I stated loud and clear.

To succeed, a tower would need to attract visitors, but the area contained a number of competing activities—people with limited resources would have to choose what to spend their money on.

As I know from family experience, towers can be divisive. Some people like to go up them and some do not. In a family of four, two may want to go up and two may not, as I found with my family. What does one do?

A day out in the heritage area is a wonderful experience, but it is not cheap. One needs the best part of the day, and the entry fee for a family of four plus buying a small snack at lunchtime costs £60 or more. Not too many families can do that very often. The tower would be another attraction in the area. It will have to be self-sustaining and viable and will need an awful lot of visitors.

I raised strong objections to the tower, which was first suggested in March 1995. Construction should start in a few months, but the planning application that is before the city council tells us nothing.

On Friday, I asked the planning officer to tell me what the tower was to be made of, what colour it would be, what maintenance would be necessary and how long it would last, but he could not. He said that we would have to learn all those things between now and when the planning committee meets. We must bear in mind the fact that the council has just signed a deal with the Millennium Commission to build the tower at a cost of £23 million. How can anyone be so specific, if we do not know what the tower is to be made of? When the concept was first agreed nearly three years ago, the Millennium Commission was to have a 35 per cent. share, but it has now increased it to 68 per cent.

The history of the concept is interesting. The then Secretary of State for National Heritage, the right hon. Member for South-West Surrey (Mrs. Bottomley), visited Portsmouth—it was one of many visits, as she passed the site whenever she went to her holiday home on the Isle of Wight, and I am sure that she greatly enjoyed the trip out of Portsmouth harbour—and made great play of the fact that the tower should be of national and international significance. She likened the competition that should be held to design it to that held when Trafalgar square and Nelson's column were created. I think she said 144 people submitted bids to build the column and create the spectacle in Trafalgar square. She felt that Portsmouth deserved a similar competition. However, we did not have it.

Well-known architects such as Sir Norman Foster, Michael Wilford, who took over from James Stirling, and Santiago Calatrava, who built the Barcelona olympic tower, all expressed interest in the concept, but none was asked. The city council and the developers offered the people of Portsmouth and the surrounding area three options. The developer visited me in my offices in Parliament street, and told me that he did not like one of the three. He told me which one he preferred, and said that the third had been included to give people three choices.

Funnily enough, the private sector developer, Berkeley, did not get the design that it wanted, as the public chose the spinnaker. However, the public were not asked

[Mr. Mike Hancock]

whether they wanted a tower at the entrance of Portsmouth harbour. They were simply asked which one of the three designs they preferred.

No one objected to any of the other aspects of the millennium scheme. Many of them, such as the boathouse project, Priddy's Hard and the millennium walkway, are essential to the growth of the areas concerned, and the potential is enormous, but most people in Portsmouth, when asked about the tower, say that it is a waste of money. I would have said so had I not been a member of the council. I would have said that the money could have been better spent on hospitals, schools and many other things.

I had dozens of letters asking me to get the commission to spend the money on other things, but we were not offered a choice. The city council said, rightly, that the commission had made it clear that the money was for a tower, so a tower it had to be.

At the same time, the Ministry of Defence was releasing the Gunwharf site at HMS Vernon, and it was intended that the tower should be part of the development. The millennium scheme and the development of Gunwharf were so interwoven as to be inextricable. I asked the Ministry of Defence about the disposal of the Gunwharf site. I am very disappointed—

It being Ten o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Dowd.]*

Mr. Hancock: The reply from the Under–Secretary of State for Defence said:

"Offers for the Gunwharf site were sought on the basis of open market value and took into account the Planning Brief for the site previously provided . . . The bid chosen was considered to provide the best value for money. I am withholding information on the details of the sale receipt under exemption 14 of the Code of Practice on Access to Government Information."

I find that outrageous from a Government who came into office saying that were for open government. How on earth can the sale receipt for a piece of public real estate be withheld? What on earth can be the commercial significance of that disposal?

Berkeley got the prime site that it wanted. Until March, April, May this year, Berkeley was expected to build the tower. The city council was stupid enough to sign an agreement with the Millennium Commission saying that it was committed to building a tower, without having Berkeley signed up to build it. Once the commission had us on the hook and had checked the projects that Berkeley, the city council and others had submitted, I started to query the figures. I was told that the figures had been put together professionally, and that Berkeley, the city council and, more important, the commission were happy with the figures.

I have written well over 200 letters to the city council, the commission and others, to try to get the answers to questions, but those answers have been difficult to come by. I am a member of the city council, and I have not been able to get straight answers without writing at least three times, on some occasions, with the same question.

When I challenged the figures, I was told that there was nothing wrong with them. I wrote to the Millennium Commission on 11 February asking what it thought of the figures, given that the tourism market was very vulnerable. The commission had always maintained that its role was to be extra vigilant with public money. I wrote to the chief executive to tell him that I would be raising these points, and he had the opportunity, if he had wanted to, to contact me today.

The chief executive of the commission wrote:

"The testing and assessment of the visitor impact of the various proposed projects, and the impact of each project on the others, is primarily a matter for the Renaissance promoters. As you know, an assessment has been done, it was put to your local authority some time ago. It is the Commission view that that assessment was reasonable."

The commission allowed the development to continue, but it did not know that, at the same time as that letter was being written to me, Berkeley, the developer, had told the city council that it no longer believed the figures.

In July, Berkeley wrote to the city council:

"During the course of our discussions, however, we agreed to work in co-operation with Portsmouth City Council and to be helpful as possible in terms of helping Portsmouth to secure the building of the Tower . . . we offered a contribution of £3 million".

They were offering £3 million because they wanted to walk away.

In the same letter, the developers say:

"At that meeting we made it absolutely clear to you that we considered that the visitor numbers produced by Deloitte & Touche for the Tower were badly flawed and that the Tower was not financially viable."

Those people were set to make millions of pounds out of the development, with the tower right next door as the landmark project. The developers had verbally committed themselves, and certainly the city council innocently believed that they were going to build it. However, the developers walked away once they had scrutinised the same figures which the Millennium Commission assured me—and, I suspect, their commissioners and the Secretary of State—had nothing wrong with them. The developers were even prepared to offer £3 million to the city council as a consolation.

We were then left with no private finance, except for the £3 million, and some land for the scheme. What could the city council do next? Where could it get the money? Nearly 200 press releases have been issued by the city council about the project since 1995. The amount of spin that has been put on the tower project would make Shane Warne, the Australian spin bowler, look professionally inept.

Within weeks, the press releases contradicted themselves. One week it was claimed that 4,000 jobs would be created, and the next it was 3,500. Ludicrous claims were made, including that the Fine Arts Commission was to be consulted on the design of the tower so that we would not get a second-rate design. It has never been asked in three years for its opinion on the tower. Why not? Press releases sent out by the city council claim that the Fine Arts Commission would be a key player in ensuring that the tower would be the best we could have.

We were left with no private money, except for the £3 million, and a very difficult problem for the city council. It tried to attract other private finance. It could not do so, so it went back to the Millennium Commission, which suggested the downgrading of the whole scheme from more than £40 million to £38 million. The water

feature was felt to be impossible to achieve and the only satisfactory alternative was a mobile water cannon mounted on a barge. The Millennium Commission felt that that was unacceptable, so it turned it down. Car parking was reduced, and sculptures and other landscaping around the heritage area were removed from the plan.

The Millennium Commission said that it would put more money into the tower, the cost of which escalated from 35 per cent. of the project to 68 per cent. That meant that the tower would cost the largest sum of any single project in any landmark scheme. The commission is basing that investment on the assurances given by Portsmouth city council. I know that the city council wants the tower to succeed, and I do not want to see it left in a mess. I represent too many people who find it hard enough to get through the week, without having to pay bigger bills to fund any unsuccessful aspect of the project. Once it is started, there is no alternative to success.

Two Secretaries of State have visited the area, and they were both enthralled by the concept. Both have given substantial support, although one would have liked to see a competition and the other, the current Secretary of State, did not seem to be too interested in any criticism of, or possible liabilities arising from, the scheme.

The purpose of the debate tonight is to try to obtain from the Minister firm assurances for the people I represent that she will not allow Portsmouth city council to be left holding a very expensive baby, in the short, middle or long term. We are talking about a 500 ft-plus tower that people can go up and down, costing £23 million. The project remains to be built, and the original concept was for design, building and operation in a single package by a single partner of the city council—Berkeley Homes. None of that has happened. Now, the tower will, for the first time, be in the ownership of the city council. That is an amazing and enormous liability for the next 50, 75 or 100 years. No one expects the tower to come down in 25 years. It will be there for a significant period, and it will be an continuing liability.

Portsmouth city council is negotiating with two types of people. It needs someone to build the tower for £23 million, and I have been assured that there is a good chance of a fixed-price contract. The council is also seeking someone to operate the tower at no cost to the council. I wish it luck. Anything short of that would be totally unacceptable. The Government must see that that cannot be allowed to happen. When the Public Accounts Committee discussed landmark projects, it said that no local authority should be left with a continuing liability, as that would be unfair, and not sensible.

If building begins and the finances do not run according to plan, I want the Millennium Commission or the Government to support the costs. There is no guarantee that the tower can be built for £23 million. We do not even know what it will be made of. Will it be steel and concrete? Will it be concrete alone? We do not even know what will be on the outside. What we do know, however, from our experience in Portsmouth at three schemes—a housing development at Portsdown park, the Pyramid leisure complex and the Tricorn development—is that building projects can cost local authorities a great deal of money and heartache. The people of Portsmouth will not forgive the council, any of the city's politicians or the Government if the scheme goes wrong, leaving them holding a very expensive baby.

As the agreement stands, the Millennium Commission can step aside like Pontius Pilate, self-righteously saying that its job is to protect public money, and that, once an agreement is made that the city council should deliver the project, its obligations to safeguard public money and the interests of the people of Portsmouth cease. Portsmouth city council would be left alone to be responsible, because it had signed an agreement to build the tower.

The tower is too important to be regarded as a matter for a political row between colleagues, as the hon. Member for Gosport has suggested in the local paper. What I am saying is too important to be dismissed as waffle or grandstanding, as it has been by the hon. Member for Portsmouth, North in the local paper. The matter is important because people have not been consulted, except by way of press releases that contradict themselves over a three-year period and that, in some cases, give nothing but misleading information.

Portsmouth has significant problems relating to education, social services, housing and many more policy areas. Every precious pound that can be squeezed from the Department for the Environment, Transport and the Regions is needed to fund local government services. We need every penny we can get. The city succeeds because of its successful ferry port, but nothing should be allowed to jeopardise our fragile financial situation, and we are no different from Gosport or any other local authority area in that. We must maintain the stability of our finances, and that can be done only if someone gives some assurances that will remove the burden from Portsmouth city council.

If we have to have a tower—and I am not convinced of the need for it—it must be something of which we can all be proud. It must not require other things to be added to it to make it viable, so that it is something short of an Alton Towers feature. It should be publicly accessible, it should be something that we can be proud of as a nation and the people of Portsmouth should not have to pay for it in years to come. I hope that tonight the Minister will lift much pressure from me and, potentially, from the people of Portsmouth.

10.14 pm

Mr. Syd Rapson (Portsmouth, North): I have a different story. Although the tower is not in my constituency, the city council covers a tightly knit area. I represent the people of Portsmouth as much as the hon. Member for Portsmouth, South (Mr. Hancock) does. The hon. Member for Gosport (Mr. Viggers) and I speak with the authority of the local authorities involved in the scheme.

I have been a local councillor for as long as the hon. Member for Portsmouth, South. We are local government people as well as Members of Parliament. I believe in local government. I believe that democratically elected local government has the right to decide planning for local people. It is not the job of Parliament to try to overcome that, as if we are the guardians of everything that goes on and can overrule what people want locally.

The project was originally dreamed up as a landmark scheme. The tower and the water fountains were an important part of the scheme that was chosen. Berkeley

[Mr. Syd Rapson]

did not do enough investigation into visitor numbers. It is basically a building company. When it did its homework, it found that the numbers were not quite correct. The city council had to re-evaluate the scheme, which it did recently with the support of the Millennium Commission. The commission crawled all over the figures to ensure that everything was absolutely correct.

The commission insisted that the city council underwrote the cost of the scheme. The city council did that, although it has operators ready to guarantee to underwrite the commercial risk involved. Delicate negotiations are going on, which is why things are kept fairly confidential. The city council has a millennium sub-committee, which has all the information, with a representative of the Liberal Democrat group on it. All the information is with local councillors.

The scheme is viable. An operator is ready to come in to run the tower. I must explain one confusing point. The original idea was that a company would take on the whole scheme and had to build a tower that would cost a considerable sum. It had not worked out the figures and has drawn back, offering £3 million back. The package has been rearranged with commission money and other moneys. The tower will be built within the money envelope that we now have. The only difference is that the operator does not have to find the money for construction, only for operation. It can do that.

This is a local government issue. We have total confidence in the scheme, which is well supported by the people of Portsmouth. It should be considered in that context. It is a worthwhile project, which should be supported by all.

10.17 pm

Mr. Peter Viggers (Gosport): The hon. Member for Portsmouth, South (Mr. Hancock) was fortunate to obtain this debate, in which I intervene with his consent. It was particularly good of him to allow that, because he knows that my view is not exactly parallel with his.

The Portsmouth harbour millennium project is very important to the whole Portsmouth-Gosport area. It will involve the development of walkways with retail opportunities around the museums and the characterful Portsmouth harbour area, with its naval and civilian yachting movements. It will develop the defence heritage area of Portsmouth harbour. If successful—I am confident that it will be—it should result in the sort of project that has been so successful in places such as Barcelona, San Antonio and Philadelphia.

It is a big project, involving £81 million, of which about half will be provided by the Millennium Commission. We hope that, whereas in the past people have visited the Portsmouth area specifically for one purpose—perhaps to see Victory, Warrior, of which I am proud to be a director, or the submarine museum—the scheme will develop into the sort of project that people will visit not for a day but for two or three. There is overwhelming support for the tower's spinnaker design, to which the hon. Member for Portsmouth, South referred. The local newspaper said:

"without the tower, the whole project collapses into meaningless rubble. It is the focal point, the beacon that will lure visitors to the revitalised harbour area."

That is a strong way of putting it, but the tower is an important part of the millennium project. It is a symbol of the imaginative plan that is so important to the Portsmouth harbour area and the whole of south Hampshire. I hope that the Minister will reassure us that she gives her full backing to completion of the project.

10.20 pm

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Janet Anderson): I am grateful to the hon. Member for Portsmouth, South (Mr. Hancock) for the opportunity to put the record straight regarding Portsmouth city council's support for this exciting project. I am also grateful to the hon. Member for Gosport (Mr. Viggers) for confirming the project's importance to Portsmouth, and to my hon. Friend the Member for Portsmouth, North (Mr. Rapson), who has long been a supporter of the project, and who illustrated his firm wish to see it succeed.

I must emphasise, first, that local authorities are independently elected bodies, answerable for their policies to their electorate. It is for each authority to decide whether the scope of its powers is wide enough to carry out a particular activity. Section 137 of the Local Government Act 1972 allows authorities to incur expenditure up to specified limits if, in their opinion, it is in the interests of their local area.

It is also important to remember that the renaissance of Portsmouth harbour is a Millennium Commission project, not a Government initiative. As the House is aware, the commission is a politically independent body, and the Government do not wish to compromise that independence. The detail of the project and the associated contractual negotiations remain matters for the Millennium Commission and the grant recipient.

In September 1995, the commission awarded a grant of £40 million to the project, against an anticipated total cost of £86 million. The renaissance of Portsmouth harbour is an ambitious development, incorporating many individual projects. The scheme emphasises public access to the harbour water front, linking the communities of Portsmouth and Gosport, and promoting the area's maritime history. It focuses on creating an international maritime arena that will provide leisure opportunities for local residents and visitors alike.

The project was developed by the Portsmouth and South East Hampshire Partnership, a consortium of local authorities and businesses. It has been led by Portsmouth city council on behalf of Portsmouth Harbour Renaissance Ltd. At an early stage in the appraisal process, the Millennium Commission identified the project as having the potential to become one of its landmark developments. Combined with the scheme's complex nature, that fact led the commission to work in partnership with the applicant during the development stage.

Tonight's debate, however, concerns specifically the construction of the millennium tower. The tower has always been a key element of the project, integral to its success. In March this year, local people unambiguously selected the spinnaker design as the preferred design concept, and outline planning permission was secured. The intended cost of the tower—some £22 million in total—was to be met partly by the commission, which would contribute £9 million, and partly by the Berkeley group.

In July, Berkeley decided to reduce its cash contribution from some £10 million to £3 million, although it remained committed to a contribution in kind of £4.3 million to provide the necessary infrastructure. That decision created a funding gap.

Portsmouth city council has now agreed, if necessary—I stress the words "if necessary"—to underwrite a portion of the commercial risk of the tower's operation. I understand that the hon. Member for Portsmouth, South takes issue with that decision. It is not unreasonable to ask why the city council should choose to invest in a scheme which the Berkeley group apparently did not find attractive.

Fortunately, I am able to answer that question. In July, Berkeley undertook a review of the business plan, and decided that the anticipated income projections from the millennium tower did not justify the level of capital expenditure that it was committed to provide. That was partly because the initial business plan had incorporated a number of commercial enhancements to the tower—restaurants, and so on. However, the spinnaker design—which, as the hon. Member for Gosport pointed out, was chosen by local people when they were consulted—does not include those elements; it is an architectural piece, a landmark.

Mr. Hancock: Have the Minister's officers at the Millennium Commission told her that there are proposals to enhance the tower? Have they told her that there could be a rollercoaster going around the base of it, or up part of it, and that there might be some sort of exciting ride as well? That would reduce what the Minister has just described as a free-standing piece of architecture to something that might have to be continually upgraded to keep people coming.

Is the Minister aware that the viability figures that she mentioned have now been reduced by nearly 300,000 in terms of the number of visitors?

Janet Anderson: I hope that, if the hon. Gentleman is patient, I shall be able to answer his questions. If I do not, he is at liberty to write to me, and I shall answer them then.

Berkeley's decision is not the issue here. It is perfectly reasonable for a commercial company to choose to withdraw from a project if it does not appear that substantial returns will accrue. Portsmouth city council, however, is a body with different priorities. It exists not to make a profit, but to promote the best interests of the local population. The city council strongly believes that the scheme in its entirety will have significant benefits for the local community. The most conservative analysis suggests that it will increase the number of visitors to the area, create additional employment, and raise the profile of Portsmouth, both within the United Kingdom and abroad.

Furthermore, the decision to underwrite the project merely makes explicit an implicit undertaking that was always part of the project's business plan. As a partner of Portsmouth Harbour Renaissance Ltd., the city council was party to an implicit underwriting of the entire scheme. It formalised that commitment to provide the Millennium Commission with additional security, although it is unlikely that it will ever be called upon to honour it.

Portsmouth Harbour Renaissance Ltd. is currently involved in complex negotiations to find a replacement commercial operator for the tower. It and the Millennium Commission have every confidence that such an operator—one who shares their view that the millennium tower is an integral part of the harbour renaissance scheme—will be found. It is regrettable that, at such a delicate stage in this exciting project's development, the hon. Member for Portsmouth, South should see fit to push into the public domain the subject matter of such sensitive negotiations.

Mr. Hancock: Will the Minister give way?

Janet Anderson: I hope that the hon. Gentleman will forgive me if I do not. I have only a few minutes left, and the hon. Gentleman said that he wished to hear what I had to say.

I hope that what I have said will reassure him, but let me make one final point to provide him with yet more reassurance. The leader of the council has given me an absolute assurance that, in the very unlikely event of the council's ever having to underwrite the operating costs of the millennium tower, there will be no question of its front-line services being cut as a result.

The hon. Member for Gosport mentioned a leader in the 2 October issue of the Portsmouth paper *The News*. Let me repeat part of what that paper said:

"when the Portsmouth South MP gets his teeth into something, he doesn't let go. But he is as wrong about the harbour's millennium tower now as he has been all along . . . Mr. Hancock never wanted the tower but he has lost the argument and it is time he accepted it."

The Government's opinion in this matter is straightforward. We believe that the Millennium Commission has made the right decision in agreeing to support the renaissance of Portsmouth harbour project, and we hope that the negotiations will soon be resolved in the interests of the people of Portsmouth and Gosport. We invite the hon. Member for Portsmouth, South to join us in that desire.

Question put and agreed to.

Adjourned accordingly at twenty-nine minutes past Ten o'clock.

House of Commons

Tuesday 3 November 1998

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Oral Answers to Questions

SCOTLAND

The Secretary of State was asked—

One-stop Clinics

1. **Mr. Douglas Alexander** (Paisley, South): What progress is being made in the development of one-stop clinic services in Scotland. [56101]

The Parliamentary Under-Secretary of State for Scotland (Mr. Sam Galbraith): We are making good progress towards modernising the national health service. About 80 one-stop clinics have so far been established throughout Scotland. That is an important step towards our aim of better and quicker treatment for everyone.

Mr. Alexander: Can the Minister tell the House what steps are being taken to support one-stop clinics for my constituents in Paisley, South?

Mr. Galbraith: My hon. Friend's local hospital has made considerable progress. There are already one-stop clinics for breast cancer, colorectal cancer, prostatic assessment, early pregnancy and cardiology. Those clinics are well on their way to providing better and quicker treatment for all their patients.

Gaelic

2. **Mrs. Ray Michie** (Argyll and Bute): What steps he is taking to encourage more Gaelic-speaking teachers to undertake training for work in Gaelic-medium units. [56102]

The Minister for Education, Scottish Office (Mrs. Helen Liddell): The Government are committed to Gaelic and plan to spend £5 million more on Gaelic education over five years, including £200,000 annually for in-service teacher training.

Teacher education institutions have targets for Gaelic student numbers; suitable Gaelic-speakers taking a primary postgraduate certificate in education receive free tuition, regardless of any previous support that they may have received; and the Scottish Office funds publicity promoting Gaelic-medium teaching.

Mrs. Michie: I thank the Minister for that comprehensive answer. My particular concern relates to primary school Gaelic units. I remember that Strathclyde region identified Gaelic-speaking teachers in its area and offered them retraining, but nothing much happened. I hope that the Minister will undertake to encourage education authorities to identify Gaelic speakers, retrain them through colleges or distance learning, and offer them development prospects.

I invite the Minister to tear herself away from the central belt and visit the units in Mull, Tiree and Islay. She will see what excellent work they are doing, but they are always on a knife-edge in case they lose a teacher whom they cannot replace.

Mrs. Liddell: I am grateful to the hon. Lady for her generous invitation, which I should love to take up. I know that she has had a particular concern about Salen primary school on Mull, which lost its Gaelic teacher and then lost the supply teacher, who moved away rapidly. I understand that a teacher is now in place, so that difficulty should have been resolved.

It may reassure the hon. Lady to know that Her Majesty's inspectorate of schools has undertaken research which shows that there are a substantial number of Gaelic-speaking teachers who are interested in teaching through the medium of Gaelic. Education authorities can provide support for those teachers to enable them to teach in Gaelic-medium units. The Government have set aside an additional £200,000 annually for in-service training for Gaelic teachers. Earlier this year the General Teaching Council held a seminar on Gaelic-medium education. My officials, together with the GTC, are seeking to address the issues that were raised at that seminar, with a view to making further progress.

Mr. Michael Connarty (Falkirk, East): I welcome my right hon. Friend to her position on the Scottish Front Bench and congratulate her on her rise in status to membership of the Privy Council. She will recall that I wrote to her recently about other modern languages, as well as Gaelic. Can she tell the House what plans she has in store for Scottish schools to advance the learning of other modern languages, which are so vital in the present European context?

Mrs. Liddell: I thank my hon. Friend for his generous comments. I am aware of the correspondence that he sent me in relation to the teaching of modern languages. He will know that a recent report by Her Majesty's inspectorate of schools revealed rather disturbing news about the teaching of modern languages in Scottish schools. As a result, I have asked officials to strengthen the guidelines for initial teacher training to include stronger encouragement for developing modern language skills. I am also setting up a languages action group to work with the Scottish Consultative Council on the Curriculum to tackle a programme, including a review of the guidelines on modern languages for five to 14-year-olds, and to give advice on attainment targets for modern languages in primary and secondary schools. I will also ask the Scottish qualifications authority to review the standard grade arrangements for modern languages because, quite frankly, we cannot have a modern Scotland if the Scottish people are not proficient in modern European languages.

Businesses (International Financial Crisis)

3. **Mr. Eric Clarke** (Midlothian): What steps he has taken to assist Scottish businesses in respect of the recent international financial crisis. [56103]

The Secretary of State for Scotland (Mr. Donald Dewar): Although my hon. Friend is right to be concerned about the turbulence in the world economy, the latest monthly figures show that unemployment in Scotland continues to decline and employment to increase. The Government endeavour to help businesses by promoting a competitive, stable domestic economy. Scottish Enterprise is reviewing its economic development strategy at my request and, with my Department, is providing specific assistance to areas experiencing particular problems.

Mr. Clarke: May I take this opportunity to thank everyone who wrote to me and sent get well cards—particularly you, Madam Speaker?

The Secretary of State knows that many businesses go to the wall because confidentiality is imperative in their day-to-day dealings. Does his Department have a hotline or an equivalent service from which businesses may seek assistance? If businesses could consult such a service more quickly, there would be fewer redundancies and less unemployment.

Mr. Dewar: My hon. Friend's reappearance on the Bench, in fighting form, is very welcome. In Scottish terms, the House is a much quieter place when he is absent. I am delighted to see him back and boisterous.

As to his specific question, many local enterprise companies run one-stop shops with entry points. I agree entirely that, at a time when there are inevitable economic difficulties given worldwide conditions, it is particularly important that those who believe that they have a viable future but who require assistance over a difficult patch establish contact with local enterprise companies, Scottish Enterprise, Highlands and Islands Enterprise or directly with my Department. That would give us the chance to offer what advice and help we can. I am very much in the business of taking a positive approach to firms experiencing difficulties.

Mr. James Wallace (Orkney and Shetland): I am sure that the Secretary of State will have heard many business people in Scotland express concern about the strength of the pound and the level of interest rates. Given that interest rates are significantly lower in countries that are about to become members of the single currency than in the United Kingdom, and given that tens of thousands of jobs in Scotland depend on manufacturing industries that export to European Union destinations, will the Government firm up their recent more positive sounds about economic and monetary union and establish a clear timetable for a referendum and British membership of the single currency?

Mr. Dewar: It is always a pleasure to hear Liberal party policy, and it is good that the hon. and learned Gentleman pushes his line with such charm.

As to the wider issues that he raised, he may have to approach my colleagues at the Treasury. However, in 1997, for example, exports from Scotland increased by 12 per cent. I take a bullish view of the Scottish economy's medium and longer-term prospects, but I am anxious not to see a return to stop-go economics and to boom and bust. I certainly do not want to return to the days—it was not so long ago—when we saw interest rates at 15 per cent. and many associated problems. The hon. and learned Gentleman is entitled to point to the Conservative Front Bench in that regard. The Chancellor is determined to end that situation, and I think that he has the full support not only of my right hon. and hon. Friends but of many other sectors of political opinion.

Mr. Martin O'Neill (Ochil): I am sure that my right hon. Friend is aware that a number of Scottish companies have suffered as a consequence of the international turbulence and, therefore, are not necessarily able to meet the regional selective assistance targets to which they were previously committed. Will my right hon. Friend and his colleagues continue to look sympathetically at those companies' requests that their problems be considered if the employment targets to which they were committed in more optimistic times are not met?

Mr. Dewar: I would approach my hon. Friend's suggestion with a great deal of caution. RSA is very tightly controlled—and rightly so. Regional selective assistance is paid when jobs are delivered, and I want to hold to that principle. I repeat my message: firms that experience particular difficulties should not be slow in coming forward and approaching the Scottish Office and Scottish Enterprise, because they may be assisted in other ways. We naturally look sympathetically at cases in which, despite certain difficulties, the long-term viable job prospects seem to be good and realistic. I hold to the fact—there are examples that underline this point—that RSA needs to be tied to the targets that have been promised.

Mr. John Swinney (North Tayside): In the light of the continuing economic difficulties in the shorter term to which the Secretary has referred, does he recognise the folly of the real-term reductions in the budgets for Scottish Enterprise and Highlands and Islands Enterprise? Does the right hon. Gentleman not consider that, in view of those difficulties, he should reverse the cuts and give himself more room for manoeuvre to invest in areas of Scotland that are suffering economic difficulties, such as the borders and the south-west?

Mr. Dewar: I certainly recognise the folly of taking a simplistic line, as the hon. Gentleman has just done, on this matter. The hon. Gentleman is referring to the adjustments that we have made, particularly to the property portfolio of Scottish Enterprise. We wish to invest not in property but in people, skills and economic growth. Secondly, we have adjusted Scottish Enterprise's training budget because £70 million a year is coming in under the new deal and more is being spent on skills and training in Scotland than previously. I am sure that the hon. Gentleman is aware of those facts. I hope that he will both accept them and rejoice, with me, in the fact that Scotland is leading the way in the new deal: there are 15,500 people already in the system; 2,600 are now in jobs; and 5,700 employers have already signed up.

That shows that that part of the budget of Scottish Enterprise and the new deal, working together, are having considerable success.

Ms Rachel Squire (Dunfermline, West): Does my right hon. Friend agree that there are some success stories among businesses in Scotland? Will he join me in welcoming the additional 1,400 jobs that will be coming to the Fife area through BSkyB? Will he join me also in paying tribute to the management and work force of Solectron Scotland Ltd., which deals with the global manufacturing electronics industry? I visited its plant in Dunfermline yesterday, where it now employs nearly 1,300 people.

Mr. Dewar: I am happy to endorse what my hon. Friend has said. It is important that we remember that, although there have been disappointments recently and some failures, we have been creating more jobs in Scotland than we have been losing. I hope that that situation will continue. Certainly every effort will be made to ensure that it does. In 1997–98, Locate in Scotland concluded 87 inward investment projects coming to Scotland, creating and safeguarding 18,000 jobs. I welcome the expansion in Dunfermline by BSkyB. I am well aware of the reputation and excellence of the work that is carried out by Solectron.

Dr. Liam Fox (Woodspring): Does the Secretary of State expect unemployment in Scotland to fall or to rise between now and the establishment of the Scottish Parliament?

Mr. Dewar: The hon. Gentleman, like me, will have to wait and see. Thanks to the determined line that is taken by the Government—for example, taking £20 billion out of the borrowing requirement and the way in which we have held down inflation—we are certainly very much better placed than many competing countries to ride out the turbulence that has resulted from the collapse of the far east economies and from events in Russia. I am sure that the hon. Gentleman would want to pay tribute to that and join me in hoping that we can continue the excellent record to which I have referred.

Dr. Fox: The right hon. Gentleman's evasiveness is matched only by his willingness to blame other people. Let us go through what the Government are doing. With exporters facing continuing difficulties; with the failure of the new deal to attract sustainable jobs; with tax rises of the equivalent of 5p in the standard rate since the Government came to power; with the Chancellor of the Exchequer, in an hour's time, about to downgrade his own growth forecast; with an increase in borrowing; with a tax raid on pensions; and with a soon-to-be-announced extra 23p per gallon on petrol, which will further damage confidence in the rural economy, does not the Secretary of State accept that the price of the Government's incompetence is bound to be paid for in lost jobs, and that the next get well card that he writes will be to the Scottish economy?

Mr. Dewar: The hon. Gentleman should try to come into the real world. I am prepared to debate with him as long as his arguments are in any sense creditable. As a start, for his education, he should consider the previous Government's record and the problems that they experienced over a long period. I am confident that Scotland will ride out the troubles and that the fortunes of the Conservative party in Scotland will always be much worse than those of the Scottish economy.

Higher Still

4. **Mr. Nick St. Aubyn** (Guildford): If he will make a statement on progress towards implementing the new Higher Still exams. [56104]

The Minister for Education, Scottish Office (Mrs. Helen Liddell): The Government are committed to re-establishing Scotland as a world leader in education. As part of the agenda to raise standards in schools and levels of achievement, the Government are committed to the start of the Higher Still programme by August 1999. The Government recognise the professional concerns of teachers and we have responded vigorously to those concerns. Funds of more than £24 million have been committed to support classroom teachers, on top of the £20 million already invested centrally to ensure that the start of Higher Still is a success.

We have also approved an extra two in-service days for Higher Still training and provided an unprecedented amount of national training, support materials, assessment exemplars and information leaflets, and a telephone helpline for teachers.

Mr. St. Aubyn: Given that the new access intermediate 1 and 2 courses will be phased in over three to five years, why has not the Minister taken the trouble to introduce the Higher Still exams over a phased period? Is not the truth that she would rather spend her time playing party politics for the Scottish Labour party?

Mrs. Liddell: Oh dear, Madam Speaker! I am glad that the people of Guildford are taking such an interest in Higher Still, but perhaps I can pass on some accurate information. The introduction of Higher Still is phased. It has been delayed twice. The hon. Member for Guildford (Mr. St. Aubyn) is shaking his head; I doubt whether he even knows what Higher Still is.

The phasing of Higher Still is designed to ensure that, in the upper years of Scottish secondary education, we widen the opportunities for young people of all abilities so that they learn certain key core skills. Those with special educational needs can do highers at access level and those who are very able can do advanced highers that prepare them for university. Higher Still, which began in 1992, is a phased programme, as it should be because it is one of the most radical changes in Scottish education for many years.

I have been conscious of teachers' anxieties, and with my right hon. Friend the Secretary of State, I met the Educational Institute of Scotland. [HON. MEMBERS: "Come on."] Conservative Members are yawning because they do not find the subject interesting. I am today inviting the Educational Institute of Scotland to participate in a liaison group that will consider further phasing where there is explicit proof that exceptional difficulties exist in a specific subject or in named schools. Any request for additional phasing must have the support of the head teacher and the local authority. [HON. MEMBERS: "This is

taking for ever."] Although Conservative Members may not be interested, parents and teachers in Scottish schools are extremely interested.

Mr. Tony Worthington (Clydebank and Milngavie): Does my hon. Friend share my amazement at the comments of the hon. Member for Guildford (Mr. St. Aubyn) about Higher Still? The problems with the higher levels of Scottish education were identified at the beginning of the 18 years of the previous Government. It is only now that a vigorous programme to modernise the curriculum is being introduced. Does my hon. Friend share my concern about how long it takes to introduce major changes in the Scottish curriculum? It has taken many years, and there is a danger that a long time may pass before changes are introduced to deal with a problem that has been identified.

Mrs. Liddell: My hon. Friend makes a valid point. The route to Higher Still began in 1992, which is why it is not acceptable to the Government further to delay its implementation. My hon. Friend is right also to draw attention to the lamentable performance of the previous Government, who for 18 years downgraded Scottish state education. This Government are determined to ensure that Scottish state education returns to its rightful place as a world leader. That is how we shall modernise Scotland and raise standards and achievement in Scottish schools.

Mr. Andrew Welsh (Angus): In view of Scottish teachers' low morale and increased work load, will the Minister now repudiate the *Daily Record* headline which referred to Labour's war on teachers? Surely this negative attitude must be replaced by co-operation with the teaching profession, which understands the problem and offers the only means of delivering for Scottish education. The Minister's liaison group comes rather late in the day; such action should have been taken much earlier.

Mrs. Liddell: I greatly welcome the fact that the hon. Gentleman is taking such an interest in education; perhaps we shall soon hear some education policies from his party. The teaching profession has welcomed Higher Still, and I share the profession's commitment to it. My main priority is to raise the standards and levels of achievement of the children in Scotland's schools. That is the aim of all those who are properly concerned about Scottish education, unlike the hon. Gentleman's party which seems committed to the dumbing down of Scottish education.

Mr. Donald Gorrie (Edinburgh, West): What the Minister says is encouraging, in as far as it goes, since the Government have averted a possible conflict with the teachers' organisations. I hope that the Minister will continue to show some sensitivity towards the problems outlined by teachers, especially modern language teachers, who cannot understand why modern languages are not a core subject for Higher Still. As the Minister knows from other correspondence, many English teachers are very concerned about the content of the syllabus. Will she treat sympathetically those genuine concerns?

Mrs. Liddell: I am happy to tell the hon. Gentleman that I will indeed take these matters on and treat them sympathetically. I know of his interest in them. I am anxious that the guidelines for modern language teaching should be improved. HMI's report has shown that, in many instances, teachers were unclear about what the guidelines recommended, which suggests that the guidelines themselves were not sufficiently clear. As for the introduction of Higher Still in English, I have taken on board some of the points made by teachers who had professional concerns, especially about assessment. We have therefore altered the arrangements for the assessment of English. I hope that Higher Still will be introduced in August 1999. Indeed, the Government are committed to that, and I look forward to Scottish education returning to its rightful place as a world leader.

Employment (Southern Scotland)

5. **Mr. Alasdair Morgan** (Galloway and Upper Nithsdale): What additional steps he proposes to assist employment creation in the south of Scotland. [56105]

12. **Mrs. Caroline Spelman** (Meriden): If he will make a statement about the economic prospects for the borders. [56113]

The Secretary of State for Scotland (Mr. Donald Dewar): I have just returned from a series of meetings in the borders and last week I undertook a similar visit to Dumfries and Galloway. I heard at first hand about the problems that are being encountered. My Department is working with local organisations to address those problems. A number of initiatives are in hand, including additional support for both local enterprise companies. To give another example, I was able yesterday to confirm approval and funding for the A7 traffic relief scheme at Hawick, which should offer important economic development benefits.

Mr. Morgan: Further to that reply, does the Secretary of State agree that transport costs are a vital factor in job creation in the south and south-west? Will he undertake to urge the Chancellor to reverse his current policy of increasing road fuel duty by some 6 per cent. annually above the rate of inflation—a policy that will result in petrol costing £4.50 by the end of this Parliament and which will cost jobs in the south and the south-west? *[Interruption.]*

Mr. Dewar: I understand the hon. Gentleman's point. I am interested to hear Conservative Members shouting that the hon. Gentleman is absolutely right. The Conservative Government, for very understandable reasons, followed a policy of introducing real increases above the rate of inflation for many years. Their words either show an inability to remember the past, or else drip with hypocrisy.

As for Dumfries and Galloway, I had extremely constructive talks with the council, the local enterprise companies and other interests there. We are trying to help them to build for the future. I recognise the importance of tourism and job-creation measures. I assure the hon. Gentleman—I suspect that he will have heard this from others—that we are properly engaged in finding a way forward.

Mrs. Spelman: Agriculture is in deep crisis in the borders, and currently, I understand from my relatives, about 1,700 jobs are at risk. Will the Government accept

responsibility for the mismanagement of this sector, or continue to blame the rest of the world and the people of the borders?

Mr. Dewar: On the hon. Lady's question about accepting responsibility for mismanagement, the answer is no. I hope that she is following the BSE inquiry with close attention, because she might find it instructive. I certainly accept that there are difficulties in the agricultural sector. Sadly, they affect almost every section of the industry at the moment, which is a particular problem.

As the hon. Lady knows, we spend about £500 million a year in Scotland on agricultural support of one sort or another, and a successful effort was made last year to find additional help for farmers. If she likes to study the advanced arable area payments, the order on split ewe carcases, the increase from 60 per cent. to 80 per cent. on advance payments on the special beef premium and a number of other measures that have been taken over recent weeks and months, she will see that a great deal is being done. We are in constructive dialogue with the National Farmers Union of Scotland.

Mr. John Home Robertson (East Lothian): Will my right hon. Friend reflect on the success of the task force established in Haddington in my constituency, following the loss of 510 jobs at the Mitsubishi factory seven months ago? The task force, which involved the Employment Service, the Benefits Agency, the local enterprise company, the Scottish Office and the local authority, succeeded in getting 450 out of 510 people into alternative employment or training places, and is still working on getting the remaining 60 people placed. Should we not be talking about positive achievements of that kind, rather than listening to Jeremiahs from Meriden or the Scottish National party?

Mr. Dewar: I have not visited Meriden to count the number of Jeremiahs, but that may be an interesting expedition for the future. My hon. Friend is right to point to that success, following the great disappointment of the Mitsubishi closure in Haddington. It is perhaps a reminder that, when there is a Government with a bit of energy and initiative, a great deal can be done and that, despite what we often hear from Opposition Members, the economy is not in free fall. We have not plunged into deep recession and we are much better placed than many of our competitors to ride out these problems.

I should comment on Viasystems, because of the bitter blow to the borders economy. I had a useful and constructive meeting with the shop stewards last night in Selkirk. They are also trying to look to the future in a way that does them great credit.

Scottish Parliament

6. **Mr. James Gray** (North Wiltshire): If he will make a statement on publicity for the elections to the Scottish Parliament in May 1999. [56106]

The Minister for Home Affairs and Devolution, Scottish Office (Mr. Henry McLeish): Next May's elections to the Scottish Parliament will be the first to be held in Scotland under the additional member system. We believe that the right to vote must also mean a right to understand, and we therefore intend to make sure that voters are properly informed about the change.

Mr. Gray: Some commentators have scurrilously suggested that the £2 million campaign which the Government propose is designed to shore up their flagging support in the forthcoming elections. Leaving that on one side, does the Minister not agree that that expenditure falls into roughly the same category as expenditure in Government information campaigns before referendums? If so, does he intend to be as dismissive of the Neill Committee in that area as he was last week? *[Interruption.]*

Mr. McLeish: I am reminded from my Back Benches that we also read the polls. They would be instructive reading for the Conservatives, should they keep reading them, especially between now and the May elections in Scotland next year. There is something ironic and paradoxical about such an attitude coming from a party that will be sent a life line through the additional member system because it has not a hope of winning in a first-past-the-post contest in Scotland in the near future.

We are creating a Scottish Parliament, which is a new institution, and a new method of voting, which is a simple, commonsense way forward. Surely it must be right that people understand that system, and we are seeking to hold a public information exercise that matches the aspirations of the Parliament. It will help the people of Scotland in the run-up to the elections, and I certainly hope that all parties represented in this House will endorse the principle that we need to educate the people of Scotland in relation to the specific additional member system, which involves not only one, but two votes. It is vital that that is made clear.

Mrs. Maria Fyfe (Glasgow, Maryhill): My hon. Friend will be familiar with the problems of elderly people who have to try to get to a polling station that is up a steep hill or about a mile from their home, even though they may have a school next door to them. Will he consider what influence he can bring to bear on the electoral registration people to ensure that that sort of nonsense is brought to an end, especially for the first elections to a Scottish Parliament?

Mr. McLeish: I can reassure my hon. Friend that we are considering those issues. It is vital that there be no practical or physical impediments to people voting. We are concerned about older people, and we are also targeting younger people and those with special needs, so that they can use the ballot boxes in the polling stations to the best advantage. That is high on our agenda, and I reassure my hon. Friend that we are closely considering any possible improvements that we can make.

Mr. Oliver Letwin (West Dorset): In the light of the Minister's answer to my hon. Friend the Member for North Wiltshire (Mr. Gray), and his response and that of his colleagues to Lord Neill's report, does he understand the widespread scepticism about the Government spending millions of taxpayers' pounds on a mass information campaign? Will he give the House a

categorical assurance that, before it is published, the Government will put the entire campaign before Lord Neill for him to review its neutrality?

Mr. McLeish: We do not recognise such widespread scepticism, because there is none. That is Conservative Members' interpretation. They obviously do not visit Scotland or speak to Scots, because they are out of touch. The basic issue is that the public information exercise is about a new institution and a new method of voting. I urge the Conservatives and members of every other party to endorse the principles of a public information exercise. At the appropriate time, there can be discussions with Opposition parties. This exercise is in the interests of Scotland: it is not about the narrow political interests being pursued by the Conservative party.

Mr. Ian Davidson (Glasgow, Pollok): Does the Minister recognise that there is substantial under-registration in many areas of Scotland? That is the legacy of the poll tax, for which the Conservatives are remembered. Will he enable as many people as possible to register by ensuring that local authorities are given a proactive role in chasing up people and giving them the opportunity to vote in the first election for a Parliament in Scotland?

Mr. McLeish: I can tell my hon. Friend that that has already happened. We were keen to target older people, younger people and those with special difficulties. We have worked with local authorities on a registration campaign in Scotland. I am convinced that that will increase the number of people registered. That is highly appropriate, given the historic setting of the elections for the Scottish Parliament next year.

Beef

7. **Mr. Owen Paterson** (North Shropshire): If he will make a statement on the beef industry in Scotland. [56107]

The Parliamentary Under-Secretary of State for Scotland (Mr. Calum Macdonald): The Government appreciate the fact that beef producers are particularly exposed to the present difficulties in the farming industry. That is why we are providing record support to the farming industry, approximately half of which goes to the beef farmer. Scottish beef producers also benefit from the Government's financial support for specified risk material controls and for the cattle tracing system set-up.

Mr. Paterson: Does the Minister agree that Scottish beef is now the safest in the world, and that there is no proven link between bovine spongiform encephalopathy and new version Creutzfeldt-Jakob disease? Does he further agree that there are no human health or animal health grounds to maintain the beef ban? The ban is flagrantly political, and a grotesque abuse of our trading arrangements with our European partners. Instead of coming up with such complacent answers, the Government should take the case of the Scottish farmers to the European Court.

Mr. Macdonald: Perhaps the hon. Gentleman has forgotten, but the beef ban was one of the legacies of the Conservative Government.

Mr. David Stewart (Inverness, East, Nairn and Lochaber): My hon. Friend will be aware that I recently carried out a survey of 400 restaurants and hotels in my constituency. It showed that 90 per cent. stock and are a source of Scottish beef, and 99 per cent. are very satisfied with the quality of Scottish beef. Does my hon. Friend agree that the imminent lifting of the European beef ban will provide a vital new niche in the market for Scottish farmers and their high-quality product?

Mr. Macdonald: Indeed, I am encouraged by the report of my hon. Friend's constituency survey. Although cattle prices have been lower everywhere in the past year, Scottish quality beef products are fetching a premium in the market. When the beef ban is lifted, the prospects for Scottish beef exports will be good.

Mr. Charles Kennedy (Ross, Skye and Inverness, West): Does the Minister share the optimism of the United Kingdom's Minister of Agriculture, Fisheries and Food that the beef ban should be lifted by the turn of the year? The Minister was in the Chamber last week when the agriculture Minister said that he hoped, sooner rather than later, to announce what I think he described as a significant package of additional help for the hard-pressed agriculture sector. Will that be reflected in the Scottish Office vote, and in what the Scottish Office is able to give the Scottish agricultural community?

Mr. Macdonald: The hon. Gentleman will have to wait for future announcements. We are working flat out to lift the ban on beef exports; there has been considerable progress since the Government took office, and we are continuing to work on it. It should also be said that the Government are providing record support for the agriculture industry: £500 million a year is going into farming, and during the year we have increased that by £50 million.

Dr. Liam Fox (Woodspring): Given the drop in farm incomes and the apparently increasing gap between farm-gate and supermarket prices, will the Minister consider three fairly non-controversial steps? First, will he ensure that rigorous carcase checks are carried out for residues so that, now that our beef is the safest in the world, no consumer is put at risk by imported beef? Secondly, will he ensure, through labelling, that consumers see clearly how they can support the domestic industry? Finally, will the Government actively encourage supermarkets and caterers to procure home-produced food? Those three simple measures would go a long way to improve the environment for farmers.

Mr. Macdonald: As the hon. Gentleman will know, action has already been taken in regard to beef labelling and supermarkets. The gap between prices paid to farmers and prices paid by consumers has caused concern, but, as the hon. Gentleman will be aware, the Office of Fair Trading is preparing a report on the major supermarkets, which should be published before the end of the year.

Local Government Housing

8. **Mr. John M. Taylor** (Solihull): If he will make a statement about the level of council house debt in Scotland. [56108]

The Parliamentary Under-Secretary of State for Scotland (Mr. Calum Macdonald): As at 1 April 1998, council house debt in Scotland was estimated to be £3.9 billion.

Mr. Taylor: Who is financing all that debt? Can it be that the taxpayers of the rest of the United Kingdom, including my constituents, are underwriting housing debt in Scotland?

Mr. Macdonald: The hon. Gentleman is wrong on both counts. In fact, council tenants service debt through their rents. If the hon. Gentleman wishes to attempt comparisons between England and Scotland, I can tell him that the average council house debt is pretty similar in both countries. The total council house debt in England is £20 billion.

Miss Anne Begg (Aberdeen, South): I congratulate my hon. Friend on the forward-looking policy that the Government are about to introduce in order to bring about much-needed investment in Scottish council housing through the new housing partnership. Will he confirm that that falls very far short of privatisation? It is nothing to do with privatisation; it is about giving council housing back to tenants and local communities, so that they can invest the money that they need to make their houses better.

Mr. Macdonald: I can give my hon. Friend an absolute assurance to that effect. We are increasing investment in housing by 40 per cent. over the next three years from the level of investment that we inherited. The object of new housing partnerships is indeed to modernise Scottish housing stock, to lever in new investment on top of the public-sector investment and to provide real community control over housing, along with real powers for tenants, in their own neighbourhoods, over their own houses.

Mr. Alex Salmond (Banff and Buchan): Can the Minister answer a simple question about the Government's approach to housing? If it is possible to offer, as a carrot or incentive, the writing off of debt for private partnership companies, why is it not possible to offer the writing off of debt to councils throughout Scotland?

Mr. Macdonald: There are two reasons for the transfer to community ownership. First, it will allow the new community landlords to lever new investment into housing, on top of the public-sector investment that is already being provided. Secondly, it will provide real powers for local communities and the tenants who live in them.

Film Industry

9. **Mr. Tom Clarke** (Coatbridge and Chryston): When he next expects to meet Scottish Screen to discuss the potential for film production and exhibition in Scotland. [56109]

The Parliamentary Under-Secretary of State for Scotland (Mr. Sam Galbraith): My right hon. Friend the Secretary of State for Scotland has no present plans for a formal meeting with Scottish Screen. I met the chairman of Scottish Screen, James Lee, on 2 June and again on 2 September.

Mr. Clarke: Does my hon. Friend recall the film review that I co-chaired, which published in March "A Bigger Picture", focusing on the absolute need for more investment in film production, especially in Scotland? Does he have a view on the three projects that are being proposed for major film studios in Scotland? Will he bring together the various agencies as well as Scottish Screen to ensure that, in the interests of Scottish culture and, indeed, of our economy, films about Scottish subjects are produced in Scotland?

Mr. Galbraith: I pay tribute to my right hon. Friend's expertise in this subject and, in particular, to his report, "A Bigger Picture", which has given considerable guidance and great vision to the film industry throughout the United Kingdom. I welcome moves towards its location in Scotland. It is for Scottish Screen to consider the options for funding and location in the light of what is in the best interests of the whole of Scotland when developing the film industry in our country.

LORD CHANCELLOR'S DEPARTMENT

The Minister of State was asked—

Debt (Late Payment)

28. **Mr. Christopher Chope** (Christchurch): For what reasons legal aid debts are being exempted from legislation on the late payment of debts. [56131]

The Minister of State, Lord Chancellor's Department (Mr. Geoffrey Hoon): The money that is paid by the Legal Aid Board to lawyers is currently outside the scope of the Late Payment of Commercial Debts (Interest) Act 1998 because the amount of legal aid payments is decided by Parliament through regulations. Claims for payment have to be taxed by a court or assessed by the board before they can be paid. Therefore, there is no direct contractual relationship on which the late payment legislation could operate.

Mr. Chope: That answer just will not wash. The Law Society has made representations to the Government saying that they are guilty of sleight of hand in relation to this. If Law Society payments were to be exempted, they could have been exempted in the main legislation. Masses of small firms of solicitors throughout the country were waiting for the Lord Chancellor's Department to pay debts outstanding for more than six months. They were looking forward to the legislation. At the last minute, they have been excluded from the rights under it. If a debt is incurred for the Lord Chancellor's wallpaper, that will carry interest, but a debt for a core legal service that is provided to the Lord Chancellor's Department does not.

Mr. Hoon: The hon. Gentleman has this wrong. Provision of legal aid does not currently come within the

legislation simply because there is no direct contractual relationship. There will be a direct contractual relationship if the Government carry through, with Parliament's approval, plans for reforming legal aid to establish contracts. In those circumstances, there will be a contract against which late-payment legislation can bite.

Public Records

29. **Mr. David Kidney** (Stafford): What assistance is given by his Department to persons who cannot afford to pay the prescribed fees for the issue of public records. [56132]

The Minister of State, Lord Chancellor's Department (Mr. Geoffrey Hoon): There are no prescribed fees for the issue of public records; the records are made available free of charge at the Public Record Office. The only fees that are payable regarding public records are those prescribed by the Public Record Office (Fees) Regulations 1998 for the provision of copies of records and for other services that are offered by the Public Record Office.

Mr. Kidney: I thank my hon. Friend for that answer. I refer him to birth certificates. Clearly, most people need to buy a full certificate at some time during their life and some people have difficulty in affording even the modest fee for such certificates. Therefore, I urge my hon. Friend to consider some formal scheme for exemption from such fees. Looking to the nearer future, will he think about using the internet more to make copies of documents available, where they will be directly accessible to more and more people?

Mr. Hoon: I am grateful to my hon. Friend for his suggestion. The Public Record Office is microfilming an increasing proportion of its most popular records. That will enable visitors to print out copies at a reduced cost and non-visitors will benefit from lower charges for prints from film. Increasingly records are available electronically in schools, libraries and in people's homes via the internet. I hope that that development will continue.

Legal Aid

30. **Mr. Owen Paterson** (North Shropshire): If he will list those insurance companies selling insurance products to underpin conditional fee agreements. [56133]

The Minister of State, Lord Chancellor's Department (Mr. Geoffrey Hoon): Insurance products to underpin conditional fee agreements have been available since July 1995 when conditional fee agreements first became lawful. The number and range of insurance products are increasing with new products becoming available all the time. I am aware of at least eight providers of insurance to underpin conditional fees. I am aware of at least two other products that are likely to be brought on to the market over the coming months. I doubt that a comprehensive list exists or, indeed, could be put together, given the vibrant and expanding nature of the market.

Mr. Paterson: The insurance industry will currently underwrite only personal injury cases for conditional fee agreements. What does the Minister intend to do about the public who take any other case to court?

Mr. Hoon: A wide variety of insurance products are available. There are insurance products available to cover any sort of risk, but the premiums to cover significant risk are available at a significant cost. Obviously, as the market develops, we will see a lowering of the cost of those premiums.

Mr. Edward Garnier (Harborough): I congratulate the Minister on his promotion in the last Government reshuffle and I offer him my commiserations on his inability to extract himself from the grip of the Lord Chancellor.

According to the Consumers Association report, "Legal Expenses Insurance: Realising its Potential", which was published this year, only 17 per cent. of adults in Great Britain have legal expenses cover. That compares with the 1990 figure of 27 per cent. It also appears that mostly the more affluent and middle-aged households take out this insurance. Given that the Government are taking away legal aid from the least affluent and leaving them to rely on their own limited resources, can the Minister say whether his proposals will increase or decrease access to justice for the poor?

Mr. Hoon: We have made it clear that legal aid will not be withdrawn from anyone in our society unless and until there are effective alternatives and effective access to justice. The extension and development of conditional fees will allow that to take place in due course, but we have made it clear that we want to see an extension of legal expenses insurance. We believe that that is appropriate for the great majority of people. Equally, we have made it clear that no one will lose out unless and until there is effective access to justice for them.

Immigration Appeals

31. **Fiona Mactaggart** (Slough): How much spare capacity exists in magistrates courts in the Greater London area and nearby; and what assessment he has made of the extent to which this could be used to help to tackle the backlog of immigration and asylum appeals. [56134]

The Minister of State, Lord Chancellor's Department (Mr. Geoffrey Hoon): It is important to emphasise that magistrates courts are locally managed services. Each of the 22 magistrates courts committees in the Greater London area is primarily responsible for the use of the courtroom accommodation in their individual area. However, we are currently examining ways of using spare capacity in the magistrates courts to assist in bail hearings in detention cases. I should emphasise that the key restraint in reducing further the backlog of immigration and asylum appeals is not accommodation, but the shortage of adjudicators, which we are tackling vigorously.

Fiona Mactaggart: As my hon. Friend is aware, I have asked this question because the suggestion was in the

recent review of immigration appeals paper. I am concerned to find out what progress has been made in dealing with the large backlog which means that these cases are delayed.

Mr. Hoon: The Government have put a great deal of effort into reducing the backlog of appeals. I can assist my hon. Friend by setting out the relevant statistics. In July 1997, the figure for outstanding appeals by adjudicators was 34,907 and by September 1998 that had been reduced to 22,298. We anticipate that by the end of March 1999, that figure will have been reduced again to some 16,000 cases.

Mr. Nicholas Soames (Mid-Sussex): Does the hon. Gentleman agree that, such is the backlog of immigration matters, for all sorts of different and understandable reasons, the law is being brought into disrepute? Will he examine the method used in Holland for dealing with illegal immigrants where adjudicators are on the spot the whole time so that cases can be dealt with immediately and do not block up the magistrates courts?

Mr. Hoon: I do not accept that the law has been brought into disrepute. However, the appeals process is currently under review and I would welcome the hon. Gentleman's suggestions for other ways in which these matters may be resolved more effectively and, certainly, more speedily.

Mr. Keith Vaz (Leicester, East): I welcome the Minister's actions so far in dealing with the backlog. However, does he accept that one way of dealing with the backlog—which clearly causes enormous distress to applicants—is to appoint more adjudicators? What action is he taking to ensure that more adjudicators are appointed to deal with the ever-increasing number of cases?

Mr. Hoon: The Government have appointed new adjudicators since our election in May 1997. There are currently 34 full-time adjudicators and 212 part-time adjudicators. A recent recruitment board for full-time appointments is expected to result in the appointment of at least eight new adjudicators. A board for part-time appointments is due to commence shortly, to which 77 candidates have been called to interview. We shall continue to increase the number of adjudicators with a view to reducing the backlog.

Legal Aid

32. **Mr. David Amess** (Southend, West): When he last discussed his legal aid reforms with the Lord Chief Justice and the other heads of divisions of the High Court. [56135]

The Minister of State, Lord Chancellor's Department (Mr. Geoffrey Hoon): The Lord Chancellor and I meet the Lord Chief Justice and other senior judges regularly. We discuss many areas of mutual interest, including legal aid.

Mr. Amess: In the light of the Lord Chief Justice Bingham's remarks that any legal aid reform should be proceeded with cautiously and slowly, is it wise of the Government to rush ahead with their reforms, which many experts believe are ill thought out and will make the situation worse?

Mr. Hoon: It is not for me to comment on what the Lord Chief Justice thinks of the Government's proposals. However, I note that Lord Bingham, at his recent press conference, expressed support for our plans to refocus legal aid and to extend availability of conditional fees. I certainly welcome that endorsement.

Mr. John Burnett (Torridge and West Devon): I am happy to congratulate the Minister on his recent promotion. Last night, the Lord Chancellor made a speech on the proposed community legal service. What legal services will the community legal service be providing, first, for those who now qualify for legal aid, and, secondly, for middle-income Britain?

Mr. Hoon: Yesterday, the Lord Chancellor outlined our plans to establish a community legal service, which will improve access to justice by refocusing the traditional legal aid scheme and provide more help, and more effective help, to the most vulnerable people in our society, particularly in relation to social welfare law and employment, housing, debt and benefit advice.

Dr. Norman A. Godman (Greenock and Inverclyde): I hope that those legal aid developments and reforms will be of positive assistance to the witnesses who hope to give evidence to the Bloody Sunday inquiry, which is chaired by Lord Saville. Many of the witnesses, both in England and in Northern Ireland, are on low incomes. They need and deserve such assistance.

Mr. Hoon: I am grateful for my hon. Friend's suggestion, and shall ensure that whichever member of the Government is responsible for the matter is made aware of his observations.

Magistrates Courts

33. **Mr. Bob Russell** (Colchester): What criteria are used to determine whether a magistrates court should close. [56136]

The Minister of State, Lord Chancellor's Department (Mr. Geoffrey Hoon): There are no statutory criteria. Magistrates courts are locally managed by magistrates courts committees under the provisions of the Justices of the Peace Act 1997. It is for individual MCCs to identify their own criteria when deciding their own accommodation needs, after consultation with the local paying authority. My Department has no role other than to determine any appeals arising from a local dispute.

Mr. Russell: Does the Minister agree that magistrates courts committees are quangos, and that they are strangled by the amount of money that is provided by the Lord Chancellor's Department? Does he agree also that the vast majority of cases dealt with by magistrates courts committees could be dealt with locally, and that there is

a hidden plan to close magistrates courts across the country—as hon. Members on both sides of the House know?

Mr. Hoon: I assure the hon. Gentleman that there is no hidden plan. I was also slightly surprised at the tone of his question, which effectively challenged the importance of local decision making. I should remind him that

"far too much power has been concentrated in Westminster and Whitehall",

and that

"democratic government should be close to ordinary people".

Mr. Russell: Rubbish.

Mr. Hoon: The hon. Gentleman says that, but those words should sound vaguely familiar to him, as they are from the Liberal Democrats' manifesto, on which he was elected in May 1997.

Mr. Ian Bruce (South Dorset): Surely one of the problems with magistrates courts is that sufficient numbers of cases are not being referred to them. Is there nothing that the Government can do to ensure that matters such as juvenile crime are dealt with more in magistrates courts, and that we shorten the time that it continues to take between charging and an appearance before a magistrate?

Mr. Hoon: As the hon. Gentleman will know, one of the Government's basic promises to the electorate was to speed up youth justice. We are doing that, the work is under way and we are seeing the results up and down the country.

Civil Justice Review

34. **Mr. Andrew Dismore** (Hendon): If he will make a statement on progress in the implementation of the Civil Justice Review. [56137]

The Minister of State, Lord Chancellor's Department (Mr. Geoffrey Hoon): Our plans for introducing the first phase of civil justice reforms on 26 April 1999 are on target. The new rules will be finalised by the Civil Procedure Rules Committee this month. After approval by the Lord Chancellor they will be laid before Parliament in December. We plan to publish them with supporting practice directions and key forms in January 1999.

The latest edition of the Lord Chancellor's Department's bulletin, "Implementing Civil Justice Reform" contains further details of the work in hand and will be available in the Library today.

Mr. Dismore: Does my hon. Friend agree with my view—from experience of 20 years in practice—that the reforms will necessitate quite substantial retraining and re-education for practitioners and some re-tooling in terms of new technology? What assistance will his Department give practitioners to meet the deadline for the introduction of the new rules?

Mr. Hoon: The latest draft rules have been available on the Department's website and in hard copy form since July, so practitioners have had a great deal of time to prepare themselves. There is no reason why the reforms should not go ahead as planned in April. Indeed, any delay would cause uncertainty to the practitioners about whom my hon. Friend is concerned.

Pre-Budget Statement

3.30 pm

The Chancellor of the Exchequer (Mr. Gordon Brown): In this year's pre-Budget report, we seek to steer a course of stability amid a world economic downturn. We set in place measures to improve productivity and provide support for enterprise, we introduce new measures to make work pay for all our people and we show how we will invest in health, education and our infrastructure to provide the modern services on which people rely—in each case taking long-term decisions that will equip our country for the future.

The background to the report is the global downturn. It started in Asia and has reverberated throughout every continent. Not only has it shifted the balance of risks in the world economy from fears about inflation to fears about growth, but it has forced every country, continent and international financial institution to cut its estimates for growth.

World trade growth is set to fall by two thirds. Forecasts for world growth have now been virtually halved. One quarter of the world is in recession and in this uncertain world, my objective for Britain is that we steer a stable course and, by building our long-term strengths, we are more than equal to any and every challenge that the global economy presents. Because in the past 18 months inflation has been brought down to its target of 2½ per cent. and because Britain has set in place a long-term monetary framework with the independence of the Bank of England, Britain is better placed than in the past to face the global difficulties. Because, too, Britain has tackled its structural deficit in public finances, we are more able to steer that stable course, but as all forecasts around the world have made clear, there is acute uncertainty about the eventual outcome of global financial instability. We are conscious of the balance of risks: on one hand, the risk of a sharper slow-down in the world economy as a result of instability and the effect on confidence and, on the other hand, the risk that inflationary pressures might persist. So the pre-Budget report is set with this firmly in mind: no denial of short-term difficulties and no diversion of policies for long-term strength.

Our challenge in the year ahead is to strengthen the three essential foundations for long-term strength and success. First, Britain now has for the first time a credible long-term framework for both monetary and fiscal policy. It has an inbuilt capacity to respond credibly to short-term pressures and we shall not be deflected from it. Secondly, with business, in order to build on that stability, we are putting in place a strategy to tackle a fundamental long-term economic weakness—the 40 per cent. productivity gap with our most successful competitors. These measures will include investment in education and innovation, and new encouragement for enterprise and for competition.

Thirdly, with our welfare-to-work programme and by ensuring that work pays, we are extending opportunity to all in our country, creating a Britain where no one is excluded, no potential is neglected and everyone has a contribution to make. It is a Britain that is both enterprising and fair.

First, I shall deal with the foundation for long-term economic stability. Official figures show that by spring 1997, with consumer spending growing at an unsustainable pace, inflation was heading way above the country's 2½ per cent. target to twice the level of our competitors—4 per cent. and above—and that at that time, Britain was set to repeat the boom-bust cycle that led to 15 per cent. interest rates for one whole year in the early 1990s.

Because immediate action was taken, making the Bank of England independent and tackling the inflationary pressures, inflation is today at our target of 2½ per cent. I can announce that for future years our forecast is that inflation will stay on target. As a result, Britain's long-term interest rates have come down from more than 7 per cent. in May 1997 to 5 per cent. The differential between Germany and Britain has narrowed by nearly 1 per cent. Long-term interest rates are now at their lowest for 35 years and the lowest since Britain's boom-bust cycle first became entrenched.

Because Britain has brought inflation under control, it has been possible, as the world has turned downwards, for interest rates to respond more quickly and in a more forward-looking way than in past economic cycles. In the previous economic cycle, interest rates remained in double figures for more than four years. In contrast, the Bank of England has already been able to reduce interest rates to respond to a changed international environment.

Long-term monetary stability is a precondition of our economic success. I reaffirm my support for the Bank of England's independence, for its remit and its membership. I do not believe that any political party, putting the long-term interests of Britain first, will, on reflection, bring party politics and short-termism back into interest rate decisions.

It is also because Britain has a new long-term fiscal framework with clear disciplines set out in the code for fiscal stability that we are laying before Parliament this afternoon that, as world growth slows, fiscal policy is able to make its contribution to stability and future growth in Britain. The official figures published today confirm that in our first year, we cut the budget deficit from the £28 billion that we inherited to £8 billion. That tightening has continued throughout our second year—a total fiscal tightening in two years of 3¼ per cent. of national income. So, fiscal policy has played its full part with interest rate policy in tackling inflationary pressures.

Because we have concentrated on priorities and cut waste, spending this year will be £2 billion below the ceilings that we inherited. As a result, our current budget this year is expected to be £5½ billion in surplus. What in the Budget was prudently projected to be net borrowing of £1 billion this year is now expected to be a debt repayment of £1½ billion.

The golden rule is that over the cycle we balance the current budget. In other words, on current spending, we eliminate the structural deficit that we inherited. Again, I can report to the House that because of the tough action that we have taken since we came into government, that is exactly what we are now achieving.

Now that we have broken with short-termism and created for the long term a stable monetary and fiscal framework with an inbuilt capacity to be more responsive to the economic cycle, fiscal and monetary policy can together contribute to stability and growth in the coming years.

My forecast for 1999 of 1 to 1½ per cent. growth in our economy will see Britain steering a stable course, even when one quarter of the world is in recession. As the

[Mr. Gordon Brown]

economy returns to its sustainable growth path, we expect growth to be between 2¼ and 2¾ per cent. in 2000, and between 2¾ and 3¼ per cent in 2001.

It is because we are cautious about the balance of risk in the economy that we have based our public finance forecasts on assumptions deliberately more prudent than those made under the previous Government. First, our public finances are planned on an estimate of a 2¼ per cent. trend rate of growth—¼ per cent. lower than the assumption that we inherited. Secondly, our forecasts have revised downwards the ratio of VAT receipts to projected consumer spending, reducing estimated revenue by nearly £4 billion over the next five years.

Thirdly, revenues from tackling fraud have been set at a more cautious level than in the previous Parliament. Fourthly, we have discontinued the highly imprudent practice of assuming revenues from privatisations that have not been agreed. In each case, our assumptions have been audited by the independent National Audit Office, and because of the experience of the early 1990s we have adopted a more prudent approach to forecasting income tax and corporation tax revenues, including a cautious estimate of revenues from self-assessment.

Even after making those prudent assumptions, and taking into account the world downturn, we meet our first rule—that of balancing our current budget over the cycle. We expect the current surplus to be £1 billion next year, £3 billion in 2000–01, £8 billion the year after that, and £10 billion and £11 billion for the two years to follow. For the same years, net borrowing is expected to be £4 billion, then successively £5 billion, £2 billion, £2 billion and £1 billion.

Those figures are better for every year of this Parliament than those for any year of the previous Parliament. They represent an estimated current surplus for the coming five years of £33 billion—a margin that shows that we are equipped to cope with further uncertainties. That £33 billion surplus contrasts with what happened under the previous Government—a deficit of £149 billion over the economic cycle, as national debt doubled.

Our second rule, the sustainable investment rule, requires that as we borrow for investment, debt is set at a prudent and sustainable level. In the last year of the previous Government, the debt ratio was 45 per cent. of national income. In the next three years, to meet the needs of a modern infrastructure, public investment will rightly double. Yet as a result of our overall prudence, debt as a proportion of national income is set to fall below 40 per cent.—to 39 per cent. next year, then to 38 per cent., and then to 36½ per cent.

Hon. Members who take a special interest in the Maastricht criteria will want to know that in each of the next five years Britain will be comfortably within the Maastricht guidelines.

Long-term economic stability, from which we will not be diverted, is the foundation for future success, but we shall achieve our long-term goals for growth and employment only through an even more radical modernisation of our economic policy in favour of opportunity, enterprise and work.

We now need to push ahead with modernisation in each of the following areas—improving productivity, expanding opportunity and investing in our future. So in every one of those areas our economic policy will be based on getting the best out of all our people and their potential—in other words, maximising economic opportunity for all. What makes for a good economy also makes for a good society—one that is fair and cohesive.

I turn to the first conclusions from the review that we have conducted with British business into removing the barriers to productivity. As our seminars with business have revealed, the only way for Britain to be at the forefront of the new knowledge-based economies of the future is by modern policies for education, employee participation, small business development and science and innovation.

Our first recommendations concern the quality of education. With our £19 billion investment in educational reform, we have set out demanding targets for literacy, numeracy, teaching standards and higher qualifications. My right hon. Friend the Secretary of State for Education and Employment has announced today a £250 million investment in a new traineeship programme for teenagers. In this way, we have now made it possible for every young person after the age of 16 to stay on in part-time or full-time education, to get the qualifications they need and to have the opportunity of a job.

To meet that productivity challenge for our economy, we must do more to encourage the ambitions of all our children, not least by bringing the world of education and the world of work into closer contact. Over the next year, we plan to enlist business leaders throughout the country to take the world of work and business into our classrooms. To encourage businesses to offer expertise and management help to our schools and colleges, I can say that the Budget will allow businesses to claim tax relief when they second staff to schools and colleges.

Britain can do more to remove the barriers to opportunity and ambition—the ambition to work your way up and use your creative talents, the ambition to start and build a successful business and the ambition to see the firm in which you work succeed, and you succeed with it. Today, only a fraction of British employees—and an even smaller minority of those outside senior management—own shares in the companies that they work in. Yet the evidence is that employee commitment is a vital strength for companies competing, and then succeeding, in the global economy.

I want, through targeted tax reform, to reward long-term commitment by employees. I want to remove, once and for all, the old "them and us" culture in British industry. I want to encourage the new enterprise culture of teamwork in which everyone contributes and everyone benefits from success.

In the next Budget, we will make it easier for all employees—not just a few—to become stakeholders in their company. I want to double the number of firms in which all employees have the opportunity to own shares. Many employees already hold shares through their pension funds, so I will propose to our pension funds and other institutions that they should provide better and more direct public information to their members and investors.

In future, more of our wealth and jobs will come from small and growing businesses. In just 18 months, we have announced cuts in the rate of corporation tax on large companies twice—to 30p in the pound, the lowest level of corporation tax ever. For small companies, we have cut the rate twice, too—to 20p in the pound. In the Budget

we will consider a further tax reduction for small businesses. In particular, we will consider converting the temporary investment allowance we introduced last year into a permanent tax cut.

I have in mind a bigger reform to cut the burdens of tax and red tape. Small businesses getting started and growing lack not only the resources to pay tax, but the back-up to administer national insurance, income tax and VAT payments and their payroll systems. From April 1999, the Inland Revenue and the Contributions Agency will be merged. We propose to roll out on a nationwide basis a new, comprehensive service for all businesses, helping them to replace time-consuming book-keeping by offering a one-stop advice service, administered by local offices and a national helpline. So, from now on, every Government Department will have an obligation to encourage enterprise and entrepreneurs.

I can confirm to businesses that we are also re-examining planning regulations and building control to identify barriers to productivity and job creation, and how the planning system in Britain can be speeded up to help us to emulate the success of high-tech clusters and corridors, such as America's Silicon valley.

Access to bank finance is critical to the success of every small business. Therefore, I have asked the banks to work with Mr. Don Cruickshank, formerly of Oftel, to assess what steps can be taken to serve more effectively the needs of businesses in the economy.

To open up and enhance competition, we will ensure, with a 20 per cent. increase in its funding, that the Office of Fair Trading has the necessary resources to break down barriers that prevent new firms from entering markets and keep prices unacceptably high for consumers. Further announcements on how the new arrangements will work will come from my right hon. Friend the Secretary of State for Trade and Industry, who will soon publish his competitiveness White Paper. Our policy is pro-small business, pro-share ownership, pro-tax simplification and pro-competition.

Our policy is also pro-skills and pro-science. To turn scientific inventions in Britain into jobs for Britain, we need to do more to honour the spirit of invention, facilitate the exploitation of invention and encourage the commercialisation of invention. More than ever, innovation is the key to higher productivity. We must ensure that inventions created in Britain are developed and manufactured here too.

The first step is a higher quantity and quality of research and development. So, the Government will consult small business on supplementing the current tax relief on research and development with a more effective tax credit for small business, based on the volume of research and development investment.

Three months ago, we announced a partnership with the Wellcome Trust that will invest more than £1 billion to re-equip university science in Britain. It is the largest ever public investment in Britain's science base. Having received an overwhelming response from universities to that and to our new university challenge fund, which is a public-private partnership for commercialising scientific inventions, we are now inviting further private sector involvement.

I now want to complete the path that takes inventions from the science lab through high-tech venture capital and then to the national and global marketplace. So I am announcing that to develop business expertise in science and to transfer technology from the science lab to the marketplace, we will endow up to eight new institutes of enterprise in British universities. That is a further signal of our determination that the genius of British invention will once again become an engine for growth and job creation.

The strong venture capital industry, supporting high-tech, high-risk investments, is also critical to the future of Britain. Today, we have only 6 per cent. of the early stage, high-tech venture capital of the United States, so we will consult on and consider new incentives, including how to encourage our more successful companies to invest in start-ups and how we can provide new sources of venture capital and management expertise for entrepreneurs.

The productivity challenge is one that must be met by the public and not merely the private sector. Next month, for the first time, the Government will publish public service agreements that set clear targets for improved performance for all Departments. To help them meet those and to monitor performance, we are today establishing an advisory panel from business and management.

Absenteeism costs the public sector up to £6 billion a year. Specific targets are being set for each Department to reduce absence rates by 20 per cent. by 2001 and 30 per cent. by 2003.

We are working with business, not merely to promote higher productivity, but to secure policies for a sustainable environment. Today, I am publishing the report by Lord Marshall, formerly president of the Confederation of British Industry, into the role of economic instruments and the business use of energy. I thank him for his work, which moves the debate forward substantially. After public consultation, the Government will fully consider the recommendations as part of their wider strategy on climate change. I am also publishing today a consultation document containing proposals for a £50 reduction in vehicle excise duty for the smallest and most environmentally efficient cars.

Just as the Government are modernising our industrial economy, so too we are modernising employment policies. The House will be pleased to know that by next April, 300,000 people will have benefited from the new deal, which gives a new sense of hope to men and women previously left out and excluded. Already 29,000 companies have signed up to the new deal, and we are now ready to extend it.

From 30 November, 60,000 opportunities will be created for the long-term unemployed in 28 areas of our country. In Northern Ireland, in support of the peace process, we will guarantee new opportunities to all men and women who have been unemployed for 18 months or more. We will also extend nationwide the new deal skills shortage programme and offer up-front support for training to help to fill the vacancies that come on-stream every month. To tackle skill shortages, I can confirm that by March next year, there will be 120 centres for information technology and high-tech training in every part of the country.

Side by side with the new deal, there will be new guarantees that work will pay more than benefits. From April, as a result of abolishing the entry fee to national insurance, all employees will receive a tax cut of £66 a year. Business will be pleased to know that I can

[Mr. Gordon Brown]

announce that from April, employers will not pay national insurance on earnings below £83 a week, the 1999 level for the personal tax allowance. When it is economically right to do so, and so that work pays more, we will introduce the 10p starting rate of income tax.

From 1 April next year, 1.9 million employees, including 1.3 million women, will benefit from the minimum wage. I can confirm today that the minimum income guarantee for a low-paid family in work, which as a result of the working families tax credit was announced at £180, will be raised to £190 a week from October next year, as a result of the minimum wage and changes that we are making in tax and benefit. Work will pay a guaranteed minimum of £190 a week for a family, with no income tax to pay on incomes below £220 a week. That will guarantee a minimum income of at least £5.50 an hour for a lone parent in work with one child, and £6.37 for an adult with two children.

To enable parents and carers to balance work and family responsibilities, we want to provide extra help for child care. We have provided the resources for up to 1 million new child care places over the next four years. Consistent with our national child care strategy, we will extend our new child care tax credit to cover all children up to the age of 14 and in the case of disabled children, who have greater needs, up to the age of 16.

We will match the working families tax credit with a new disabled person's tax credit that will ensure that work pays for a disabled man or woman who takes a job. A disabled person with one child moving from benefit to full-time employment will be guaranteed a minimum income of £220 a week, with no income tax payable on income below £274. Disabled men and women taking up work will be as much as £78 a week better off.

Under this Government, disabled men and women who want to work will be guaranteed fair treatment at work, and work will pay. Matching the minimum income guarantee for disabled persons in work there will be a new disability income guarantee of £128 a week for severely disabled people out of work.

We are guaranteeing pensioner couples a new minimum income of £117 a week. That will be followed in the Budget with a guarantee that pensioners will have no income tax to pay unless their income rises above a new specified level. As a result of other measures that we have taken—by following our cut in VAT last year with tougher regulation and new winter fuel payments—I can say that pensioners are saving £108 on their fuel bills and the poorest pensioners are saving £140.

Our task for the country for the coming year—steering a course of stability—is to meet the productivity challenge, to extend fairness and our welfare-to-work programme and to make the modern investments we need in our future. I am pleased to announce that, following the modernisation of the private finance initiative, there will be new investment in our infrastructure—in more than 1,000 schools, 25 hospitals and in dozens of public transport projects—over the coming three years amounting to an additional £11 billion. Over the three years from next April, public investment will double—and will do so at the right time. That is the right decision and the right course of action for our country.

I have one further announcement. Because of our prudence in the management of public finances, Government spending is well within its limits. Our prudence is for a purpose. Therefore, to ensure in every part of the United Kingdom the health care that people—and especially the elderly—need this winter, I am today making an additional and immediate winter cash allocation, to be spent in the next five months, of £250 million for our national health service. I can confirm that, because this Government believe in the best health and the best education not just for a few but for all our people, we will invest an additional £40 billion in the modernisation of education and health over the next three years. Those public services, in the months and the years ahead, will be safe in this Government's hands.

The Government are steering a stable course, prudently investing in our future, proudly building strong public services and consistently keeping our promises to the British people. I commend this statement to the House.

Mr. Francis Maude (Horsham): We have just heard from a complacent and arrogant Chancellor—a Chancellor who is locked into denial. We have heard fantasy forecasting and Peter Pan economics. How can anyone take seriously the Chancellor's prediction of growth next year when the Treasury's own collection of independent forecasters anticipate growth well below—0.6 per cent. below—his forecast? How can we take the Chancellor seriously when his Department's figures are at odds with his own? His are fairy-tale figures because the Chancellor will not take responsibility.

There was no recognition—not even a glimmer—that the Chancellor's own blunders are to blame. He offers nothing serious to prevent higher unemployment and more business failures—not a single measure that will save a single job. He had a chance today to give hope to people whose livelihoods are on the line, but he blew it because he is too arrogant to admit that he had got it wrong.

For the Chancellor and the Prime Minister—who are smugly and arrogantly sitting there exchanging complacent grins—any talk of downturn is "idiotic hysteria". The Item Club, using the Treasury's own model, predicts that 500,000 manufacturing jobs will be lost. Is that "idiotic hysteria"? The National Institute of Economic and Social Research, whose director the Chancellor has put in charge of sorting out his statistics, warns of a one in three chance of recession. Is that "idiotic hysteria"? The Chancellor's adviser, Gavyn Davies, says that the economy is

"teetering on the brink of recession."

Is that "idiotic hysteria"?

If it is all global, as the Chancellor claims, why does *The Economist* poll of forecasts show that Britain's growth next year will be lower than that of all industrial nations except Japan, which is locked in the middle of a deep slump? Even the European Commission, to which the Chancellor is usually eager to defer, predicts that Britain will slump to the bottom of the European growth table. So let the Chancellor tell us: why will Britain's growth next year be less than half that of the next weakest economy? It will be less than half. Why?

Why have Britain's forecasts been cut by so much more than any others? Why, when it comes to the downturn—*[Interruption.]* The Chancellor of the Exchequer sits on the Front Bench grinning and smiling. The constituents of

his right hon. and hon. Friends, whose jobs and livelihoods are on the line, will be disgusted by his complacency and arrogance. Let the right hon. Gentleman tell us why, when it comes to the downturn, Britain is in first and in worst. There is a simple answer and it is sitting on the Government Front Bench. Everything that the right hon. Gentleman is doing is making things worse.

The Chancellor of the Exchequer goes on about the current budget and public finances. Why does not he tell us about the real budget, the cash budget, and how much he is actually borrowing? The right hon. Gentleman says that the black hole in public finances does not matter. But what does he say to the National Institute of Economic and Social Research, whose director he relies on so much, which predicts borrowing of not twice but five times that which the right hon. Gentleman predicts?

The right hon. Gentleman says that he can jack up borrowing and no one will get hurt. Does not he understand that higher borrowing means higher interest rates? Does not he understand that for every £10 billion of extra borrowing, interest rates will be a $\frac{1}{4}$ per cent. higher? How is that helping small business and innovation?

The right hon. Gentleman says that it is all right to borrow more in the downturn. Does not he understand that the harder he presses on the fiscal accelerator, the harder the Bank of England will press on the monetary brakes? Does not he even understand the effect of his own policies?

Mr. Mike Gapes (Ilford, South): It says here.

Mr. Maude: The hon. Gentleman will have to go back to his constituency next weekend and look in the face those whose jobs are on the line because of the Chancellor's arrogant blunder. Let him make jokes with them then and listen to what they have to say to him.

In the Chancellor's own wonderland of economics, he says that it is all right to borrow as long as it is for investment. But the right hon. Gentleman is not borrowing for investment. He is not borrowing for health or education. We welcome Labour trying to match our record, but the right hon. Gentleman is borrowing not to pay for health and education but for social security. The Government's own figures show that social security spending, having fallen in recent years, is set to rise. The Government will borrow all right, but they will be borrowing to pay for social security, for the bills of Labour's social and economic failure.

The right hon. Gentleman has talked of productivity—that is right, he is blaming it all on Britain's workers and managers, and the banks as well now. But his proposals, most of which are now being announced for the third or fourth time, are just moving the deckchairs around on the Titanic. The right hon. Gentleman's taxes and regulations have put a £40 billion hole below the waterline of British businesses—that is £1,500 for every person employed.

With power comes responsibility. So the Chancellor must now answer these specific questions: will he give an unequivocal assurance not to introduce the new taxes on people's pensions foreshadowed in yesterday's *Daily Mail*? Tell us, yes or no? We are waiting to hear, yes or no? If the right hon. Gentleman is so bothered about productivity, will he stop raising the cost of employing people by £1,500 a year? Yes or no? Will he now tell us by how much unemployment will rise next year as a direct result of his policies?

This was the Chancellor's first big test. It was his chance to start to put right what he has got wrong. He has failed that test. They told us that things could only get better, but they are getting worse, much worse. The price of Labour's blunders will be lost jobs and closed businesses. There will be no more boom and bust; just the bust. There will be no more stop-go; just the stop. Truly, this downturn was made in Downing street.

Mr. Brown: The *Financial Times* on Monday said that Conservative economic policy was

"on an escalator into absurdity",

and Conservative Members have reached the top of the escalator this afternoon. The Leader of the Opposition said that this would be the first big attack on the Government since the election, but unfortunately he put it into the hands of the shadow Chancellor.

The right hon. Member for Horsham (Mr. Maude) did not even welcome our £250 million for the national health service and he wants to cut into the £40 billion that we are spending on health and education. The policies that he advocates are exactly those that brought the country into stop-go recession when he was a Treasury Minister in the early 1990s.

The right hon. Gentleman complains about borrowing, but does not acknowledge that next year's borrowing requirement is £4 billion, when the Conservative Government's borrowing requirement went up to £50 billion. He complains about interest rates that have come down from $7\frac{1}{2}$ to $7\frac{1}{4}$ per cent. Under the Conservatives, interest rates were at 15 per cent. for a year and over 10 per cent. for four years, including all the time that he was a Treasury Minister. Conservative Members complain about the pound. The pound was at DM2.95 during the whole of the right hon. Gentleman's time at the Treasury. This Government have brought down debt from the 45 per cent. that we inherited to less than 40 per cent. and now to 38 per cent.

A serious Opposition party would tell us where it stood on the basic issues of economic policy. First, would the Conservatives keep the Bank of England independent? We say yes to that question; what is their answer? They do not know and they are totally divided. A sensible Opposition would agree with the Confederation of British Industry's view that spending should rise next year as part of the automatic stabilisers. We say yes to that; the right hon. Member for Horsham wants to cut public spending, but his health and education spokesmen want it to rise. A sensible Opposition would say that welfare to work was in the interests of every constituency. We say yes to welfare to work; Conservatives are against it and the means by which it was created. A sensible Opposition would support the working families tax credit at £190 a week instead of trying to abolish it.

The previous Government were in office for 18 years. They were found out and thrown out. In 18 months, Conservative Members have proved to the country that they are not fit even for opposition.

Sir Peter Tapsell (Louth and Horncastle): Does the Chancellor recall that in the House on 27 November last year, I warned him that by 1999 we would be facing not

[Sir Peter Tapsell]

an inflationary boom, but a recessionary deflation and that he dismissed that proposition with scorn? Is it not now clear that he and his appointees in the Bank of England have, for the past year, been fighting on the wrong front so that our manufacturers and farmers have been faced with unnecessarily high interest rates and a dangerously damaging high pound? Does he accept any personal responsibility for that grave economic misjudgment?

Mr. Brown: The hon. Gentleman would not have made the Bank of England independent—[HON. MEMBERS: "Answer the question."] I am answering the question. [HON. MEMBERS: "Answer the question."] The Conservatives are getting very excited this afternoon, but after the failure of the shadow Chancellor.

The policies that we have put in place are exactly right to deal with the problems of the British economy. The hon. Gentleman would oppose the Bank of England's being independent. He would have opposed our taking action to deal with the inflationary problem in the economy. He gave us no support when we cut the fiscal deficit by £20 billion. They were the right decisions for Britain. They were right because they put us in better stead to deal with any problem that the global economy presents. Had we pursued the policies that the hon. Gentleman was following, we would not be able to respond as we are now to the global downturn.

Mr. Malcolm Bruce (Gordon): Liberal Democrats favour recycling, and there was a great deal of recycled material in the Chancellor's statement. We shall of course give our own response to the detailed proposals during the consultation process, which we welcome because we think it is a better way of doing Budgets. Of course, we welcome the £250 million for the national health service, which we hope will mean that we are able to get through this winter without waiting lists rising again.

Nevertheless, does the Chancellor recall telling the House in his first Budget statement, in July last year, that the goal was to rebalance the economy so as to control inflation

"without damage to industrial and exporting prospects"?—[*Official Report*, 2 July 1997; Vol. 297, c.305.]

Since then, is not it his lack of policy that has led directly to an over-valued pound, which is higher than in the 1990 recession, and to real interest rates that are higher than during the 1980 recession? Has not there been a gap between diagnosis and cure? Is not it now clear that it is the Chancellor's own policy gap, rather than industry's own productivity gap, which explains the economic downturn that we are now experiencing and the risk of manufacturing recession next year that he is forecasting? When will the Chancellor stop blaming other people? When will he end the blame game and not duck his own responsibilities?

The Chancellor also told us in his previous Budget seven months ago that the United Kingdom's direct trade with the troubled Asian economies is not particularly large, which is not exactly what he said today. Does the Chancellor agree with the CBI, which said yesterday that it was not productivity but

"the strength of sterling which has undermined the ability to compete at home and abroad"?

The Chancellor's new forecast is that manufacturing industry may just miss recession next year and that any overall slow-down will be mild and short. Is he aware that, as the shadow Chancellor said, many independent forecasters outside the House regard that as complacent and unrealistic? Does he agree with the House of Commons Library that manufacturing job losses—*[Laughter.]* It is interesting that Labour Members below the Gangway should laugh when manufacturing job losses are running at the rate of 300 a day, and, according to the House of Commons Library, will be running at 600 a day next year. Does the Chancellor realise that today's new tax loopholes, dressed up as well-meaning tax tinkering, will have only a marginal effect on that outlook?

Despite his optimistic forecasts, will the Chancellor take this opportunity to accept that the balance of the policy to date has been wrong? Will he promise to change that policy and make it an overriding priority to create the conditions necessary to enable the Bank of England to bring down interest rates, even if that means delaying his 10p tax rate? Would not it be a tragedy if complacency today were to lead to thousands of job losses in industry next year?

Mr. Brown: On the hon. Gentleman's first point, I am grateful that he, unlike the Conservatives, has welcomed what we have done in respect of national health service expenditure, but I must say that we have done far more than the Liberal Democrats ever put forward as their policy at the general election. We have made available £2¼ billion extra this year and £21 billion in the three following years.

As for the hon. Gentleman's points about the general economy, he must be one of the first to admit that when US $3 trillion has been wiped off stock exchanges around the world—10 per cent. of world GDP—it is bound to affect people's investments and companies' decisions about jobs.

The hon. Gentleman will also agree that, when world trade growth falls from 11 per cent. this year to 4 per cent., and is scheduled to be the same next year, there will be problems which every industrial country has to deal with. If he went to America, to the rest of Europe or to Japan, he would see other countries facing up to exactly the same problems. The issue is whether Britain is properly equipped to tackle the problems—indeed, any and every challenge from the global economy.

The hon. Gentleman should go back to our first Budget, which he has quoted. I said that we were creating a long-term framework for monetary policy and fiscal policy in this country. That is what we have done. As a result of the decisions that we have made, through the Bank of England becoming independent and tackling inflation, we are meeting our inflation target. Everyone expects us to meet that target in the time to come.

As a result of cutting the fiscal deficit from £28 billion to £8 billion in the first year, and taking further action this year, we are eliminating that current structural debit—something that the Conservative party never did all the time it was in government. We are creating the conditions—the long-term framework—for monetary and fiscal stability. It is on that that we will be tested, which is right.

On employment, the hon. Gentleman should acknowledge that, over the past 18 months, nearly 400,000 extra jobs have been created in our economy;

that welfare to work has got into jobs thousands of young people who would not otherwise be in work—without any help from the Conservative party, which opposed the windfall tax; and that the Government are doing more, not only to create job opportunities and training, but to help to make work pay. I should have thought that the Liberal party would start to support that as well.

On the hon. Gentleman's taxation proposals, they seem to be very different from the proposal for a £30 billion tax cut that he made to the Liberal party conference.

Madam Speaker: Order. I should be obliged now for brisk questions and brisk answers.

Mr. Barry Jones (Alyn and Deeside): I thank my right hon. Friend for his remarkably good statement, especially with reference to those who are poor, have disabilities or are without hope.

I urge my right hon. Friend to make sure that the new deal project is a total success, so that those without hope and those without training can be sure of his support so as to ensure that all the programme's targets are met. Will he remind Conservative Members that, in the early 1980s, Mrs. Margaret Thatcher, Sir Keith Joseph and Sir Geoffrey Howe destroyed more than 2 million jobs in two short years? They also created Europe's largest redundancy ever, in my constituency—8,000 steel jobs between a Christmas and an Easter. My right hon. Friend's statement is much welcomed in the country.

Mr. Brown: My hon. Friend is absolutely right. He knows at first hand what is happening in Wales and in industry throughout the country. He is absolutely right about what happened: manufacturing output fell by 7 per cent. in one year, manufacturing investment in that year fell by 15 per cent. and a million manufacturing jobs were lost. It is precisely because we do not want to return to those conditions that we will not make the mistakes that are proposed by the Conservative party on economic policy.

On the new deal, I have heard Conservative Members sniggering and sniping at something in which they also were invited to play a part.

Mr. Maude: It is a failure.

Mr. Brown: The shadow Chancellor, after a few months of the new deal, which started last April, is now ready to say that it is a failure. That is what the Conservative party wants to happen: it never supported the new deal and refused to back the windfall tax on the utilities, and it is now suggesting that the new deal is failing young people around the country when thousands of them have been joining the new deal every month. I hope that, on reflection, the Opposition spokesman will withdraw those comments.

Mr. John MacGregor (South Norfolk): The House will have noted that the Chancellor's calculations depend very much on substantial increases in growth in the last two years of the cycle, which are some way away. How can anyone believe those figures when the Chancellor's projections last year, and the ones that he is making now, are so different for next year, and when our growth performance in the European Union means that Britain is moving from its position as one of the higher growth countries to the lowest next year?

Will the right hon. Gentleman answer this question, which he has failed to answer so far? Given the importance of pension funds, and increasing take-up of them, will he confirm that he has no further plans to raid pension funds or to reduce the tax incentives for those contributing to them?

Mr. Brown: First, there is no such proposal, nor is there any proposal for a windfall tax on the banks, as the Conservatives suggest. The Conservative Government introduced a windfall tax on the banks, and it is unfortunate that they did not support our tax on the utilities.

Secondly, on the general question about the economy, it is because we have got inflation under control and have taken action to eliminate the structural deficit that monetary and fiscal policy can now work together. The right hon. Member for South Norfolk (Mr. MacGregor) will remember the position faced by the Conservative Government in the early 1990s. Even at the worst stage of the economic cycle, interest rates had to be above 10 per cent. for years because of their failure to control the inflationary tendencies in the economy. As a result of their failure to control public spending, at the worst point of the spending cycle the deficit was £50 billion. I could give Conservative Members more figures to show what happened.

The Conservative Government failed to take action to eliminate the deficit. Because we have taken early action to tackle inflation—which the Conservative Government never took—and because we have been eliminating the structural deficit, monetary and fiscal policy can work together—I think the right hon. Gentleman understands that point. That is the basis on which we have made our forecasts for the economy. The right hon. Gentleman will find that sensible economic commentators agree with us.

Mrs. Anne Campbell (Cambridge): I warmly welcome my right hon. Friend's commitment to enterprise and innovation, and his recognition that high-tech companies require special financing measures. Will he undertake to study carefully the collapse of Ionica last week to see whether special lessons can be learned from that innovative, high-tech company, whose collapse had nothing to do with interest rates—*[Interruption.]*—or with the exchange rate?

Mr. Brown: My hon. Friend has done a tremendous job working with the science industries in her constituency and throughout the country. It ill befits Conservative Members, who know nothing about what is happening in individual constituencies, to sneer at my hon. Friend's comments. She is absolutely right. The high-tech industry faces problems of financing. There have been particular difficulties in attracting and developing science-based industries in this country.

My right hon. Friend the Trade and Industry Secretary is examining these matters. I acknowledge the work that my hon. Friend has done in pushing this process along. We shall deal with these problems, and we shall look

[Mr. Brown]

practically at the barriers to job creation and to opportunity in this country. We shall not pursue the dogmatic policies of the Conservative party.

Mr. Eric Forth (Bromley and Chislehurst): The Chancellor has just said that he will look practically at problems. What in practical and real terms do the Chancellor and his colleagues intend to do effectively to reduce the costs of employment over the next crucial two or three years against a background of almost certainly rising unemployment? The Chancellor knows that, together with his colleagues in government, he has already increased the costs of employment, thus contributing to the real problems of the manufacturing and service sectors.

Mr. Brown: The right hon. Gentleman implies that the situation is all bad. He should acknowledge that there has been a 19 per cent. fall in unemployment in his constituency since the general election. There has also been a fall in the constituencies of many other hon. Members, who should acknowledge that employment has been rising.

As for future policies for employment, the right hon. Gentleman should also acknowledge that we have cut corporation tax to 30p, cut small business corporation tax from 23p to 20p, introduced a new 10p rate of capital gains tax, are cutting national insurance employers' contributions for low-paid employees, and have cut national insurance for employees. Those measures will help employers take on additional workers. The right hon. Gentleman will find that many employers say that they wish a Labour Government had been in office years ago.

Mr. Geraint Davies (Croydon, Central): Does my right hon. Friend know why Opposition Members make no mention of help for the disabled in jobs, help for minimum income families, and help for small businesses? Why do they make no mention of the venture capital industry, one-stop VAT and national insurance, linking enterprise and universities, the new deal, and extra cash for health and education? Is it because the black hole is between their ears and they cannot hear?

Mr. Brown: I am grateful to my hon. Friend for reminding us of the range of policies that we have introduced and which the former Government failed to introduce. Yesterday, when the House considered the international financial system, the Conservatives had absolutely nothing to say. On monetary policy, they cannot tell us what they would do about the Bank of England. As for fiscal policy, against the advice of the Confederation of British Industry and almost every sensible commentator, they want to cut health and education expenditure over the next year. The sooner the Conservative party wakes up to economic realities, the sooner it will have a chance of being listened to by the British people.

Sir Peter Emery (East Devon): Will the Chancellor of the Exchequer understand that people listen with some doubt to his talk of a solid, long-term strategy for the economy, given that that strategy has altered considerably since the original announcement in the Budget 16 months ago? As we move into recession, there are few who would have considered that he could squander a golden inheritance quite so quickly.

Will the Chancellor answer one question? We know about the increase in education and health expenditure to which he has referred, but we should also consider a number of other announcements that were included in his statement. Will he give us some figures showing what increase in expenditure they will involve? The statement included no costing of that expenditure.

Mr. Brown: The right hon. Gentleman talked of the so-called golden legacy. I have to tell him that the "golden legacy" was a £28 billion public deficit—3.5 per cent. of national income—which the last Government had failed to tackle, and which we had to tackle on coming to power.

The right hon. Gentleman also talked of the long-term strategy. Our long-term strategy is this: to have eliminated the current structural deficit, to have reached our target on inflation, and to enable monetary and fiscal policy to work together for stability and growth in the economy. It is because we have made those tough decisions on public finances, and cut the deficit—something that the Opposition never supported and have never done—that we are now in a position to spend £40 billion—*[Interruption.]* The Conservatives left a deficit of £28 billion, claiming that that was a golden scenario. They are now saying that to borrow even £1 is an absolute disaster. What is the view of the Opposition?

As for the health service—*[Interruption.]*

Madam Speaker: Order. Do stop shouting. I shall have to use my powers to remove Members from the Chamber if the noise continues.

Mr. Brown: As for health and education, the right hon. Member for East Devon (Sir P. Emery) was right to ask whether we had budgeted for the money that we are going to spend. The answer is yes: the prudent assumptions are the ones that I have listed. Moreover, because we have underspent as a result of choosing priorities and cutting waste, we shall be able to spend an extra £250 million before the end of the financial year.

Ms Diane Abbott (Hackney, North and Stoke Newington): The whole House welcomes the extra £250 million that is to be spent on the health service, but may I ask a question about monetary policy? My right hon. Friend will know that today Sainsbury marked down its profits forecast, citing the exchange rate and the approaching turndown as part of the problem. We all support my right hon. Friend's intention to bear down on inflation, and most of us understand that Eddie George is doing his best within his narrow frame of reference; but does my right hon. Friend accept that, in the very long run, there may well be a case for looking at the framework in which the Monetary Policy Committee operates, and putting on that committee people who are known to have some understanding of and feeling for industry in the north, the midlands and elsewhere?

Mr. Brown: The Monetary Policy Committee is not to be made up of representatives of this pressure group or that. It is a group of people chosen for their expertise in certain areas. What I have been intent on doing—in the

knowledge that I have of the Bank of England, and of what it has been intent on doing—is building up in every region, and in Scotland, Wales and Northern Ireland, an expertise in all areas of the economy, so that that expertise can be fed into decisions on monetary policy. That is the right way forward. It is the way in which independent banks have worked in other countries—and I venture to suggest that no political party in the House would end the independence of the Bank. I believe that, on reflection, the Conservative party will change its mind, and stop opposing it.

Mr. Ian Taylor (Esher and Walton): Of course some matters of detail that the Chancellor has announced today, such as the encouragement of science, innovation, technology transfer and employee share ownership, are sensible; but on the wider economy, I wonder whether the Chancellor is sanguine about the fall in interest rates that will be necessary if we are to converge with the rate that is set by the European Central Bank. In that context, how will he set his active fiscal policy, to use his words, over the next year or two—or does he think that, as a result of the meeting in Austria last weekend, the change in the economic and stability pact will mean that more borrowing on the continent will force the European Central Bank to put rates up to converge with ours?

Mr. Brown: I know that the hon. Gentleman takes a special interest in matters European, even if that sets him against his Front-Bench team, but on this point, I disagree with him. The worst thing to do would be to rush headlong into monetary union by cutting interest rates just for the sake of dealing with the present situation. The Liberal Democrat party is proposing interest rates at 3 per cent., or something similar.

We have to base the decision on monetary union on the economic tests that have been set down and with proper preparations, leaving the final decision to the British people, but the reason why I believe that economies will, over time, converge is that we are taking action to remove the boom-bust cycle in this country and we will, in time, have a smoother economic cycle than ever existed under the 18 years of the Conservative Government.

Mrs. Louise Ellman (Liverpool, Riverside): I congratulate the Chancellor on his statement, which reaffirms confidence in his handling of the economy. Will he make a statement, first, on the curious reaction of Opposition Members who, when they hear that we have not been set off course, display a mixture of mirth and consternation; and secondly, on the role that he envisages for regional development agencies in taking forward his important agenda of support for business, including technology transfer and commercial development of the knowledge in our universities, so that we can ensure that all the regions benefit? I remind him that, as part of their negative approach to anything that brings jobs and employment, the Opposition opposed the setting up of such agencies.

Mr. Brown: When the record of this Parliament is written, the Opposition's opposition to the regional development agency proposals, the minimum wage, the working families tax credit, the independence of the Bank of England and to spending sensibly on health and education will be a blot on their record for all time.

I met the chairmen of the new regional development agencies and, with the Deputy Prime Minister, talked to them about their work. I believe that, like Scottish Enterprise, the Welsh Development Agency and the Northern Ireland Development Board, an immense contribution can be made at a regional, Scottish, Welsh and Northern Irish level to the development of the economy.

On my hon. Friend's comments about the Opposition, in all their difficulties—when they had the poll tax, all the problems over the health service, sleaze and everything else—it used to be said of the Conservatives by some of the press that they were at least competent in the management of the economy. That can no longer be said of the statements that are being made.

Mr. Nicholas Winterton (Macclesfield): Will the Chancellor accept that manufacturing industry is the main source of sustainable non-inflationary economic growth? Will he therefore take seriously the request made of him by the hon. Member for Hackney, North and Stoke Newington (Ms Abbott) relating to the criteria on which the Monetary Policy Committee takes its decisions—because without manufacturing industry, this country is lost? Is it right that, with inflation at 2.5 per cent., business should be paying around 10 per cent. or more in interest to the banks for money that they borrow to invest in employment?

Mr. Brown: The hon. Gentleman has spoken on manufacturing industry throughout the time of his Government and ours. The review that we are setting up with Mr. Don Cruickshank will look at how the banks are servicing the needs of industry, and I hope that the hon. Gentleman will want to feed in his comments to that.

On interest rates and the Bank of England, as someone who has followed that matter for many years the hon. Gentleman should understand that the causes of low growth and high inflation in the British economy have been the same. They have included the lack of capacity in the economy; therefore, every time there has been growth it has been unsustainable because of the development of inflationary pressures. It is by tackling that problem head on—the independence of the Bank of England helps that—and by creating a credible framework for action that we can begin to address the long-standing problem of stop-go.

As regards individual instances in innovation, investment, training and skills shortages, we are doing what we can, working with manufacturing industry, to deal with some of the problems it faces. I think that the hon. Gentleman will know that the pound is now 10 per cent. down from its peak and is now lower than it was when we took office.

Dr. Lynne Jones (Birmingham, Selly Oak): I, too, congratulate my right hon. Friend on his statement, particularly the emphasis on research and innovation. Bearing in mind that even his predecessor, the right hon. and learned Member for Rushcliffe (Mr. Clarke), acknowledges that Britain's debt to GDP ratio is one of the lowest in the world, will he consider further investment in public sector infrastructure, particularly housing and transport? That would benefit business

[Dr. Lynne Jones]

confidence and help to ensure that the gloomy predictions of a rise in unemployment of 500,000 over the next three years do not come true.

Mr. Brown: Employment has risen by 400,000 and many of those who have been making predictions every month for the past year that unemployment would rise were found to be wrong in February, March, April, May, June and July. On future public investment, I think that my hon. Friend will acknowledge that not only have we doubled public investment over the next three years, but we have enhanced the private-public partnerships to invest £13 billion more in the economy, thanks to the work of the Paymaster General in moving that project forward.

On capital receipts and housing—my hon. Friend mentioned housing in particular—at the time of the comprehensive spending review, we announced a further release of capital receipts to enable house building and house repair to move ahead. When my hon. Friend looks at the figures in the pre-Budget report, she will see that public investment next year rises considerably, which means that investment as a whole in the economy continues to rise. My hon. Friend will want to acknowledge that the Government have done a great deal to move public investment forward. We are never complacent, but we will continue to take the necessary action.

Mr. John Butterfill (Bournemouth, West): When the right hon. Gentleman first became Chancellor, the OECD in Paris forecast that British growth of GDP would be the highest in the European Union and was likely to continue to be so for the foreseeable future. Will he accept any responsibility for the fact that it is now forecast to be the lowest, and that we may have recession? If he is so interested in research, why did he slash the funding for the research councils this year to the point where, in university after university, there is no money to fund postgraduate research?

Mr. Brown: When I became Chancellor and walked into the Treasury one of the first things I was told was that the inflation target could not be met, that inflation would rise to 4 per cent. and above and that inflation—

Mr. Maude: Not true.

Mr. Brown: The right hon. Gentleman does not seem to understand basic economics. When one sets interest rate policy, it is set with a view to the next 12, 18 and 24 months. If action is not taken early enough, interest rates will have to rise later to deal with the problem of inflation. The truth is that when we came into the Treasury, we were told that inflation would rise and that it would be twice that of our competitors.

We also know—the Bank of England had been saying it for the previous six months—that the previous Chancellor had failed to raise interest rates when it was necessary to do so to deal with inflation. It was exactly that problem of short-termism in the making of interest rate decisions that we dealt with by making the Bank of England independent. I would have thought that, as a sensible Back-Bench Member of Parliament, the hon. Gentleman would have supported our action.

On science, the hon. Gentleman should acknowledge that the provision of £1 billion to the Wellcome Trust and investment in our universities and science laboratories has been widely welcomed throughout the country. Now that we have in place measures for the commercialisation of inventions through the university challenge fund and the new institutes of enterprise that I have announced today, science has been given a boost by the Government that it never had under the previous Administration.

Mr. Barry Gardiner (Brent, North): Does my right hon. Friend recall the winter of crisis in 1996–97 under the previous Government, when in hospitals in north-west London people were not simply in the waiting room or stacked on trolleys, they were stacked back on to ambulances? Does my right hon. Friend understand the joy and relief that will greet his statement today at the further £250 million to avert a winter crisis in our hospitals? Given the apoplexy among Conservative Members that has greeted his statement today, will he consider bringing forward those payments to meet the pressing need that would appear to be found on the Opposition Benches?

Mr. Brown: I am grateful to my hon. Friend. He is absolutely right about what happened to the health service under the previous Administration. The total increase in spending on health as a result of all the measures we are taking will be nearly £32 million per constituency over the next three years. I think that the measure we have announced today, to give £250 million to the health service for the next five months to deal with the winter problems that may and sometimes do arise, shows that the Government want to see the national health service safe in our country. It is simply a pity that the Opposition cannot welcome it.

Sir Michael Spicer (West Worcestershire): Can the right hon. Gentleman give a brisk answer to a question to which he has not even given a long-winded one so far? How will raising public borrowing help to reduce interest rates?

Mr. Brown: The hon. Gentleman should look at what the Bank of England said on this matter. It said that the public spending decisions that we have made were in line with what it was expecting. If the hon. Gentleman looks at the August inflation report, he will see that it says exactly the opposite of what the hon. Gentleman is suggesting.

Mr. Bill Rammell (Harlow): Does the Chancellor recall that in 1991 the then Conservative Government denied responsibility for the recession and blamed it on world economic affairs? Will he contrast that with their attitude now that they are in opposition: that the current slowdown in growth has nothing to do with world economic affairs? Does he believe that they were misleading then or now? Does he think that the bizarre—

Madam Speaker: Order. The Chancellor is responsible only for his economic policies, not for the Opposition's.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy): The Chancellor referred earlier to the development of the Welsh economy. Can he confirm that his spending plans

will provide for the Treasury to pay match-funding in the event of the European Union according objective 1 status to west Wales and the valleys?

Mr. Brown: I can tell the hon. Gentleman that the comprehensive spending review dealt with those problems. The generous settlement made for public spending for Wales will allow industry, training, education and, of course, all the economic agencies to benefit from public money.

Mr. Michael Connarty (Falkirk, East): Does the Chancellor accept that most people represented by Labour Members, and possibly most of those represented by Opposition Members, accept that the purpose of his prudence in preventing overheating of the economy is being delivered in the public expenditure announced today and in previous Budgets? Does my right hon. Friend accept that what was described as wonderland economics is a joy compared with the blunderland economics of the previous Government?

I want to deal with the connection between inventiveness and enterprise and the university challenge fund. Is my right hon. Friend aware that some university representatives are saying that the venture capital organisations in the United Kingdom are slow in taking up the offer of intellectual property? Can he give us an assurance that he will look closely at the transfer of intellectual property so that it does not leave the country but is a boon to the country; while at the same time encouraging venture capital companies to form partnerships with the universities, which are very willing to do so?

Mr. Brown: I am grateful to my hon. Friend, who has taken a special interest in the matter. In the seminars on productivity that we held with business men and women, which drew on expertise not only from Britain but from across Europe and the United States, it became clear that the venture capital industry could do more in Europe, and Britain, to service high-tech and scientific inventions that may give rise to commercial products. The venture capital industry is doing far more in the United States, and people sometimes doubt whether Britain would have been able to cope with a company such as Microsoft, as the initial venture capital support would not have been available. We have taken some of the measures that we have taken for those reasons.

The university challenge fund is very much over-subscribed, as there was massive interest in it. I hope that we can extend the private partnership, so that there is backing for the public funds that were made available to the tune of £60 million. Our institutes of enterprise, which we are establishing today, will do a great deal to help transfer technology and bring scientific inventions to the marketplace. I hope that, over the next few months, my hon. Friend will be able to follow developments in those matters.

Rev. Martin Smyth (Belfast, South): I thank the Chancellor for the role that he played in the Industrial Development Board's recent trip to the United States. However, will he consider the views of the CBI Northern Ireland on a possible industrial fuels tax? Northern Ireland's road freight industry is already suffering, and power is much more expensive for people in Northern Ireland. Even an industrial fuel tax applied uniformly across the United Kingdom would place an extra restriction on Northern Ireland industry's ability to compete. Such a situation would create problems for the Chancellor in fulfilling his guarantee to give employment opportunities to the long-term unemployed.

Mr. Brown: I am grateful for the hon. Gentleman's first remarks, and welcomed the opportunity to join some of his colleagues in the United States for the launch of the investment programme for Northern Ireland. I believe that there is a willingness on the part of business in the United States to make new investment in Northern Ireland, particularly since new incentives—including our action on education, training and work—will make it very attractive to invest there. I shall regard the hon. Gentleman's second set of comments, on industrial fuel, as one of the first Budget representations.

Mr. Jim Cousins (Newcastle upon Tyne, Central): I congratulate my right hon. Friend on holding fast to his spending plans, which are just and will create jobs. The Government intend to be a Government of the left and a Government of enterprise. For regions—such as my own in north-east England—that are facing the sharpest pressures of world markets, can he offer the prospect of any specifically regional programmes of public spending and development, to underpin the great work that he is set upon?

Mr. Brown: We are a Government of enterprise and of fairness. Conservative Members who believe that enterprise is achieved only at the cost of fairness, and that fairness is achieved only at the cost of enterprise, are living in the world of the 1980s—when it did not work, and Britain ended up as an unequal, unfair and, eventually, economically unsuccessful society.

Our proposal for regional development agencies—with which my hon. Friend has long been involved—is a means by which we can bring expertise to helping develop industries in the north. Our proposals on training and employment are also working at a regional level. Moreover, I think that my hon. Friend will agree after hearing some of today's scientific announcements that there is encouragement for regions to think of how they might apply for some of the funding.

Iraq

4.53 pm

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Robin Cook): With permission, I should like to make a statement on the latest developments in Iraq.

Last August, Iraq informed the Security Council that it was suspending co-operation with the United Nations Special Commission and the International Atomic Energy Agency other than on monitoring. The effect was to prevent both agencies from carrying out surprise inspections at sites that they suspected were part of a programme for weapons of mass destruction. The work of both agencies was confined to monitoring the status of sites that they had already cleared.

The Security Council responded with resolution 1154, which provided both a penalty for that violation of Saddam's agreement, and an incentive for him to comply. As penalty, we suspended the regular review of the continuing need for sanctions. As an incentive, we offered a comprehensive review if Baghdad returned to full compliance. Nevertheless, on Saturday, Iraq notified the Security Council that it would no longer co-operate with UNSCOM, even on monitoring.

As the outgoing President of the Security Council, Britain convened an emergency session, which agreed to a statement condemning the Iraqi action. It records the view of the Security Council that Baghdad's decision is a "flagrant violation" of Security Council resolutions and of the agreement it made with Kofi Annan on his visit to Baghdad in February. The Security Council's support for the statement was unanimous. It was fully endorsed by Russia, whose spokesman has said that Russia was "deeply concerned" about the Iraqi decision.

Baghdad's attempt to close down the work of the inspectorates coincides with evidence that Saddam Hussein continues actively to pursue his ambition to maintain his capacity to produce weapons of mass destruction. Only two weeks ago, a group of experts received the results of tests performed in French and Swiss laboratories to corroborate the US finding of traces of VX nerve gas in fragments of Iraqi missile warheads. The French laboratory found evidence consistent with the presence of nerve gas in the warheads, and both laboratories confirmed that Iraq had tried to decontaminate the warheads. For years, Saddam has maintained that Iraq had never achieved a deliverable VX weapon. Those discoveries expose his denials as one more lie.

Even greater anxiety relates to Iraq's programme for biological weapons. UNSCOM has concluded that Baghdad's most recent declaration of its biological weapons capacity fails to give a "remotely credible" account of the programme.

We are in close consultation with our allies to maintain a united front and to achieve the most effective pressure on Iraq. Today, a resolution will be tabled in the Security Council that will demand that Iraq immediately restores co-operation with both UNSCOM and the IAEA. That strong resolution has been drafted by Britain, and we will be working to achieve unity around it. We want to find a diplomatic solution, but we have always made it clear that all options remain open.

The latest decision by Baghdad is particularly perverse, as the Security Council agreed only last Friday on the terms of a comprehensive review of Iraq's compliance with its undertakings. Those terms held out the prospect of a time frame for completion of the work of UNSCOM and the IAEA, and could, in turn, lead to the lifting of sanctions on Iraq.

Any such progress can be achieved only with the full compliance of Baghdad. So long as Baghdad continues to conceal its capacity for chemical and biological warfare, and so long as it obstructs UNSCOM from revealing the truth about those programmes, there can be no progress towards the lifting of sanctions.

Our dispute is with Saddam Hussein. We have no quarrel with the people of Iraq. On the contrary, we have grave concern for the suffering that they are experiencing under Saddam Hussein. Only last month, Max Van Der Stoel, the UN special rapporteur on Iraq, presented his latest report, which concluded that there has been no improvement at all in the repeated violation of human rights by Saddam Hussein, including torture, summary execution, arbitrary arrests and persecution of minorities.

Britain took the lead at the United Nations in pressing for a doubling of the "oil-for-food" programme. Consequently, Baghdad can now sell over $10 billion of oil per annum to pay for food, medicine and other humanitarian goods. I am pleased to report to the House that the latest information available to the UN confirms that, as a result, there have been positive improvements in access to food and medicine.

Saddam Hussein appears to be gambling that the world will grow weary of his constant evasion and repeated confrontation. His calculation is that we will eventually give up and abandon the sanctions regime, without requiring him to abandon his ambitions for regional supremacy through weapons of terror. We must remain ready and resolute to prove him wrong.

It would be too dangerous for Iraq's neighbours in the region to leave Saddam Hussein with the capacity to produce weapons that could wipe out whole cities. It would also be too damaging for the authority of the United Nations if Saddam was allowed to break the agreement he entered into with its Secretary-General. He cannot, and he will not, be allowed to win.

Mr. Michael Howard (Folkestone and Hythe): I thank the Secretary of State for his statement, and support his expressions of resolve. The House will appreciate that this is not the first time that Iraq has severely tested the will of the international community. It was only last February that, in order to avoid military action, it undertook to co-operate fully with UNSCOM and to provide immediate, unconditional and unrestricted access to inspectors. Iraq is now breaking that undertaking.

At the time, the Secretary of State rightly told the House:

> "If Saddam were now to be permitted to set aside all those decisions of the UN, and if we were to walk away and allow him to do so with impunity, there would be no point in invoking the power of the UN the next time we are confronted with a dictator threatening the security of his region or the lives of his people."—[*Official Report*, 17 February 1998; Vol. 306, c. 909.]

Does the Secretary of State stand by those remarks today?

At the time, the Prime Minister said that only

"effective diplomacy and firm willingness to use force"—[*Official Report*, 24 February 1998; Vol. 307, c. 174.]

had brought about the agreement, and that nothing else would ensure its satisfactory implementation. Are the Government prepared to display equal resolve through the international community now? Can the Secretary of State say something about the deployment of British forces in the region, and about any preparations that may be under way to despatch more forces to the Gulf?

Can the right hon. Gentleman give the House an assurance that his final warning to Iraq will be more effective than his final warning to President Milosevic during the Kosovo crisis in the summer? Can he tell us more about the terms of the resolution to be tabled in the Security Council today? Is it the Government's view that a further resolution is necessary before force can be used if diplomacy fails?

Will the right hon. Gentleman also comment on the resignation of Richard Butler's deputy, Scott Ritter? Mr. Ritter accused the British and American Governments of turning a blind eye to Saddam Hussein's transgressions, in the vain hope that, if they gave way, Saddam would lay off. Does the Secretary of State think that, if those warnings had been heeded, the present crisis might have been avoided?

Finally, will the Foreign Secretary confirm that Iraq cannot pick and choose the people who are appointed by the international community to enforce its will? Does he agree that it would be a tragedy if Richard Butler and his work were cast aside in a futile attempt to placate Saddam Hussein?

Mr. Cook: I thank the right hon. and learned Gentleman for what I shall take as support for our position. He is, of course, absolutely right to say that this is not the first time that Saddam Hussein has tested the will of the international community—nor is it the first time in the past eight years. Saddam Hussein's testing of the international community did not commence after the general election. Whenever the previous Administration stood firm to him, we gave them our full support.

It is important that we remain patient, strong and resolute. We might as well be clear now that this will not be the last time that Saddam Hussein tests our resolve. We have to be firm and clear that he has to comply, and we shall have to be resolute the next time he seeks to test that resolve. There is absolutely no intention on the part of the Government to walk away from either the crisis in the Gulf or what we said on the previous occasion.

We remain ready to use all options. We have a dozen Tornados already in the Gulf, and we have maintained that presence ever since the previous crisis. We are confident that we have the basis on which, if required, we could put them into use. Resolution 1154, which endorsed the agreement reached by Kofi Annan in Baghdad, warned that violations would be met with the severest consequences.

Finally, in respect of Mr. Ritter, it is a bit rich to accuse the United States and the United Kingdom of being weak and irresolute in standing up to Saddam Hussein. Those two countries have been the firmest in making it clear that Saddam Hussein has to comply with the resolutions, and it would give us a better prospect of Saddam Hussein recognising our resolve if the right hon. and learned Gentleman did not at every possible opportunity seek to undermine that resolve.

Mr. Gerald Kaufman (Manchester, Gorton): Is my right hon. Friend aware that his statement has not only regional but global implications, in view of the potential threat to world stability posed by the acquisition of nuclear and other non-conventional weapons by Iraq? Does he agree that the crisis has been coming for a very long time, and that, on recent statements that he has made, I have warned that things would not get better, and could get worse, without firm action?

Will my right hon. Friend confirm that there is now no scope for further negotiation with Iraq, because the United Nations Security Council resolutions in place require not negotiation but compliance by Iraq, and we have seen that, if negotiation does take place, Saddam Hussein violates any agreement he makes? Having confirmed that UN resolutions authorise the use of force, should that be decided on, will my right hon. Friend accept from me that, unless Saddam now backs down, there is no alternative to military action, which must come sooner rather than later?

Mr. Cook: My right hon. Friend is absolutely correct to say that what is now required of Saddam Hussein is compliance with the UN resolutions. The Security Council has no business and no power to enter into negotiations with Baghdad as to which bits of the resolution he chooses to comply with. The resolutions have been carefully considered and carefully calibrated.

Saddam Hussein must now comply with them in full, and he should reflect on the fact that, on this occasion, the Security Council has been united not only on the text, but in private comments and public statements criticising Baghdad. I have already told the House that all options remain open. Today, my right hon. Friend the Secretary of State for Defence met Mr. Cohen from the United States Administration, and they have issued a joint statement stressing that we are ready to use force if force is required.

Mr. Menzies Campbell (North-East Fife): May I express my support for the terms of the statement, and the firmness in which it is couched? While not expecting the Secretary of State to trade intelligence reports across the Floor of the House, does he agree that, to justify the option of the use of military force, it is necessary to have hard current evidence of continued wrongdoing by Saddam Hussein? Is he satisfied that there is such current evidence? Does he further agree that military force should never be used in revenge or frustration, no matter how extreme the provocation, and that, if it is used, it must be proportionate and have clear political objectives?

Mr. Cook: I entirely concur with the hon. and learned Gentleman that, if force is used, it must be used not as an expression of personal frustration or revenge, but in a way consistent with the UN resolutions, seeking to secure the objectives of those resolutions. Sadly, however, the evidence of non-compliance by Saddam Hussein mounts by the month. He has not been in compliance with the resolutions since the start of August, when he suspended co-operation with inspections, and he is no longer in compliance even with those parts of the resolutions that provide for monitoring.

[Mr. Cook]

Perhaps even more pertinent to the case of Saddam Hussein is the fact that not only is he in clear violation of the UN resolutions, but he is in flagrant violation of the agreement that was signed in Baghdad following personal exchanges between himself and Kofi Annan, the UN Secretary-General. We should all keep firmly in front of us the fact that Saddam Hussein in his action on Saturday and in August is not just challenging the United States and the United Kingdom, but defying the agreement that he made with the United Nations, and challenging all members of the United Nations.

Mr. Dale Campbell-Savours (Workington): Are the oil exports from Iraq to Turkey by lorry, travelling by road through northern Kurdistan, in compliance with United Nations resolutions?

Mr. Cook: Baghdad has authority under the Security Council resolutions to export up to $10 billion of oil to purchase food, medicine and humanitarian goods. Some of the oil that is exported from Iraq comes under that programme. There is ample evidence that substantial volumes of oil are being exported from Iraq illicitly and illegally, and that the funds used from that do not go to purchase any humanitarian goods required by the Iraqi people; they support the extravagant life style of the elite in Baghdad, and pay for the weapons of mass destruction that are at the root of our concerns.

Mr. Douglas Hogg (Sleaford and North Hykeham): Does the right hon. Gentleman agree that it is important that we should secure Security Council authority for any action? Does he further agree that it is important not to threaten that which we are not ready to perform? Does he further agree that, if military action is undertaken, we may have to contemplate a substantial and extended air assault? Finally, does he agree that every step should be taken to secure the support of middle eastern states?

Mr. Cook: I entirely agree with the right hon. and learned Gentleman's last comment. It is important that we work with our allies and friends in the region to keep Iraq isolated. They may have some difficulty in expressing the fact publicly, but they understand that they are in the front line with Saddam Hussein and are the countries most at risk if the international community walks away and leaves Saddam with the capacity to produce weapons of mass destruction. Of course we must have proper authority for any action that we contemplate. It is equally important to maintain the unity of the international community, which is stronger than it was last February. That is a source of great strength and leverage for us with Baghdad.

Mr. George Galloway (Glasgow, Kelvin): Is not the problem the total bankruptcy of UNSCOM as a credible player? A senior United Nations official recently described the head of UNSCOM, Richard Butler, to me as a "congenital liar". That is based on knowing him for decades. Scott Ritter, who was lauded from the Opposition Front Bench, has admitted since his resignation that he was working with Israeli intelligence, while being the deputy head of a UN mission in Baghdad.

In the past few hours, it has been revealed that four inspectors working in Iraq under pseudonyms and carrying false passports were Colonel Khadouri, Lieutenant Shamani, Colonel Rabscon and Jador Dalal Shamoni—all operatives of Mossad, the Israeli intelligence service. We all hope that the inspectors can get back to work monitoring the awful weapons that exist not only in Iraq but throughout the region, not least in Israel; but a new and credible leadership of UNSCOM and transparency in its work will be a precondition for the restoration of credibility.

Above all, we need a time frame for ending the sanctions, which are killing 6,000 Iraqi children every month—not Ba'athists, not Saddam's officials, not the elite, but 6,000 Iraqi children every month—according to Mr. Dennis Halliday, the recently resigned UN official who quit his job in Baghdad because he said that the policy that he was being asked to implement was completely bankrupt.

Mr. Cook: I have heard of the reports that Baghdad has alleged that four people in UNSCOM were working for Israel, but I have had no corroboration of those reports, which stem from Baghdad. Of course, I shall happily answer any written question that my hon. Friend wants to put to me on the issue. Indeed, I undertake to write to him once we have clear information.

I strongly disagree with my hon. Friend's characterisation of Mr. Butler. I have known Richard Butler since long before he became the head of UNSCOM. I know him to be a diplomat committed to building a successful international community. My hon. Friend and most Labour Members would find a lot of common ground with Mr. Butler's wider views on foreign policy—and possibly even domestic policy. I therefore utterly acquit him of the charges that have been made against him. Baghdad's main complaint about Mr. Butler is that he has been too robust in carrying out the job that the UN asked him to do.

Finally, there is a simple remedy for the dire situation of some children in Iraq. It lies in the hands of Saddam Hussein. He could use the oil that he is smuggling out to maintain his elite and his programmes of weapons of mass destruction and put it into the oil-for-food programme, on which he has continually failed to meet the targets. Those resources could be used to meet the needs of his people instead of the needs of his military machine.

We have closely monitored the food and medicines going into the country. They are exempt from sanctions. There have never been sanctions on medicine. At the same time as there are complaints that there are not sufficient antibiotics in Iraq to treat the children, Saddam Hussein has imported specialist surgical equipment to carry out cosmetic surgery on those around him. Those are his priorities, and he is to blame for the suffering of the children.

Mr. Nicholas Soames (Mid-Sussex): Is the right hon. Gentleman aware that, following the Annan agreement, the workings and timetable of UNSCOM were severely compromised? The present state of weaponry of the most dangerous sort in Iraq may be worse than we had reason to believe earlier.

Secondly, will the right hon. Gentleman say a little more about the point raised by my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) on the importance of securing the support of our friends and allies in the Gulf? Is he aware that there

is a great deal of suspicion of American motives in the Gulf states, which find it particularly hard to swallow the discrepancy between the way in which the Americans deal with the Israelis and the way in which they deal with Iraq? Although those are largely matters of fantasy in their minds, it is important that the issue should be clarified, and that our support for the Americans in securing their safety should be well understood.

Mr. Cook: I disagree with the hon. Gentleman on the Annan agreement compromising the work of UNSCOM. The agreement led the way for UNSCOM to carry out intrusive inspections on presidential sites. A number of such inspections took place. I cannot give the hon. Gentleman an assurance that the position is not worse than we fear. Even if it is only as bad as we fear, that is severe enough to justify us in maintaining the pressure on Iraq to come into full compliance before there can be any move to remove sanctions.

I welcome the progress that has been secured in the middle east peace process. It is a modest step, but it is the first step that we have had for two years, and as such is particularly welcome. We must build on the momentum created by that agreement. I assure the hon. Gentleman that Britain, Europe and the United States will make it clear that we want compliance with the Security Council resolutions that affect Iraq, and agreement and progress on the middle east peace process.

Mr. David Winnick (Walsall, North): Leaving aside the voice of Baghdad that we heard a moment ago, is it not encouraging that those countries that were reluctant to act earlier this year are now realising the cat-and-mouse antics of the criminal regime, and taking a more forceful position? If it was right—as it obviously was—a few weeks ago for the international community to give an ultimatum to the Serbian leadership, should not the United Nations very quickly give Saddam Hussein an ultimatum that he should comply entirely with the United Nations weapon inspections, or military action will be taken? Unfortunately, force—or the threat of force—is about the only thing that the bloody dictator in Baghdad understands.

Mr. Cook: There is no need for any fresh ultimatum. Resolution 1154 made it clear that a violation of the Security Council resolutions or a failure to comply with the memorandum of understanding signed with Kofi Annan would lead to the severest consequences. I also entirely endorse my hon. Friend's comment in the earlier part of his question. In the past few days, the countries that have felt most indignant about the action by Baghdad are those that have hitherto pleaded for understanding of Iraq's position and the need to offer light at the end of the tunnel. We entirely agree with them about the need for light at the end of the tunnel, but it is now becoming apparent to all that Saddam Hussein has no intention of responding to that incentive, and will continue to test our resolve until we make it plain that there is no other way out of the sanctions regime for him.

Sir Peter Emery (East Devon): Will the Foreign Secretary make it clear that Iraq should have no doubt that the House is united in standing up to ensure that the United Nations resolutions are carried out? While making that clear, however, is it not important to be absolutely fair and acknowledge that, although there is complete and proper condemnation of the non-compliance with the work of UNSCOM, it is acknowledged that the IAEA work on nuclear weapons has been carried out? Last week, the IAEA gave the Science and Technology Committee of the North Atlantic Assembly the assurance that, at that moment, it had no criticism. When we present a case, we must ensure that we do not over-egg the pudding.

Secondly, why is another United Nations resolution necessary? Surely resolution 1154 gives us the power to take action, and the resolution last Friday—or was it on 29 October?—showed the Russians and the French backing the proposed action. Why do we need another resolution?

Mr. Cook: Saturday's statement was a statement, not a resolution. I think, and I am sure that the whole House would agree, that there is merit in making it clear to Baghdad that there is unity in the Security Council around the strong resolution that we have drafted, which condemns the violation of the agreement and demands immediate compliance with both the resolution of the Security Council and the Annan agreement.

The right hon. Gentleman asked about the different portfolios. There are four under examination, one of which is the nuclear file. Substantively, he is correct; the agency reported last month that it could now move from intrusive inspection to on-going monitoring and verification. It might also be possible for us to contemplate a similar step concerning the missile portfolio.

None of that, however, removes any of the points of concern that I have expressed concerning the state of the chemical and biological weapons portfolios. On both those fronts, it is clear that Saddam Hussein has the capacity to produce deliverable weapons of mass destruction, and until all four portfolios can be closed, sanctions must remain in place.

Mr. Harry Barnes (North-East Derbyshire): My right hon. Friend has correctly pointed out that Saddam Hussein presents a serious danger to his middle eastern neighbours. What is their response to that danger? What are the attitudes of some of those neighbours, such as Iran, Syria and the Gulf states?

Mr. Cook: We seek a close dialogue with those countries, and will undertake our own diplomatic efforts in that regard. Mr. Cohen, the United States Secretary of State for Defence, is on his way to the Gulf to consult those allies and discuss their approach to the present crisis.

I remind the House that, when we last had a confrontation with Baghdad, in February, there was considerable understanding from the Gulf states, which adopted a strong statement making it clear that, if force were used, responsibility for its being required would lie squarely with Baghdad. I hope that we will see the same degree of understanding and support from those countries now. After all, they know that, if the United Nations walked away, they are the ones that would be at risk from Baghdad's military machine.

Mr. Tim Collins (Westmorland and Lonsdale): Given the devastating allegations made earlier this year by Scott

[Mr. Tim Collins]

Ritter, will the Foreign Secretary place on record the fact that, henceforth, his office and his officials will give absolute and unequivocal backing to any and all requests for assistance from UNSCOM in its vital work on behalf of the world community? Will he also make representations to his colleagues in the Ministry of Defence that now may not be the best time to cut defence spending and reduce the number of combat aircraft available to the RAF?

Mr. Cook: Whether Mr. Ritter's allegations are devastating depends on whether one regards them as credible. I have no need to give the hon. Gentleman an assurance that henceforth we will give full support to UNSCOM; we have always done so, and Britain has been among the leading supporters of its work. After everything that the previous Administration did to cut the finances and resources of our defence forces, a period of silence from the Opposition on that score would be welcome.

Mr. Ernie Ross (Dundee, West): May I assure my right hon. Friend that everyone in the House will agree with the actions that the world community has taken? The latest episode shows that Saddam Hussein is a past master of using events in the region to his advantage. We have only to consider the fact that King Hussein is in America receiving medical treatment, and that the middle east peace talks, although there was agreement at Wye, have yet to move forward, to see why Saddam Hussein felt confident enough to test the will of the world community.

Unless the world community is absolutely resolute in its determination to oppose Saddam Hussein and bring him to heel, he will continue to flout the resolutions, with which he still has not complied. The message must go out from the House that we are united in seeing through the antics of that idiot.

Mr. Cook: I agree that Saddam will continue to play box and cox with the world community, in the hope that on some occasion we shall give up and go away, and leave the ring to him. It is important that he understands that we will not do that this time, or any other time. The secret to our carrying conviction when we say that is to appear united both as a nation and as a member of the international community.

Mr. Desmond Swayne (New Forest, West): Given the grave nature of the capabilities of Saddam Hussein that are now being discovered, and the desire that our defence policy be foreign-policy-led, will the Secretary of State make representations to the Ministry of Defence to ensure that we maintain a nuclear, biological and chemical capability in the Territorial Army? Does he agree that the decision of the United States to create 170 such units is instructive in that context?

Mr. Cook: I am not entirely sure that the hon. Gentleman is rising to the gravity of the international issue that we are considering. We have no evidence that Saddam now has the capability to hit the United Kingdom. None the less, we are determined not to leave him in possession of the capability that he has.

Mr. Mike Gapes (Ilford, South): Will my right hon. Friend utterly reject the propaganda by Radio Baghdad, and any little echo of it in the House or elsewhere, and make it clear that there can be no suggestion of equivalence between Israel and Iraq? That is first, because there is an agreement between Israel and the Palestinians made at the Wye plantation, which we greatly welcome, and secondly because the Israeli people can throw out their Government, whereas the Iraqi people, despite what their friends seem to think, cannot, because they have a dictatorship that has never been elected.

Mr. Cook: My hon. Friend draws a clear and important contrast between Iraq and Israel. In Israel there is a lively, open and free debate about the peace process and the next steps that the country should take. That underlines the stark contrast between the two. None the less, I hope that it will be possible for us to build on the recent agreement to achieve progress in the middle east peace process, and that it will provide stability for the region. I hope that we shall be able to demonstrate to the countries involved the fact that we seek even-handedly to build stability and security throughout the region.

Mr. Crispin Blunt (Reigate): Will the Foreign Secretary confirm that we are now in a more serious situation than in February, because of Iraq's violation of the will of the international community? Backed by UN Security Council resolution 1154, are we not back to the position as of February, except that the agreement with Kofi Annan has also been violated? Will the right hon. Gentleman address again the concerns of my right hon. and learned Friend the shadow Foreign Secretary about the Security Council resolution that he is tabling today, and ensure that it is at least as strong as resolution 1154, so that no one can take the view that the international community has stepped back from the position that it took last February?

Mr. Cook: I can certainly assure the hon. Gentleman that we have no intention of weakening the position of the international community at the present time, and that will not be the effect of the draft text that we have prepared for debate within the Security Council. He is right, in the sense that the international community is in a stronger position now than it was at the start of the year because of the passage of resolution 1154 and the signing of the memorandum of understanding. It is now quite clear what Saddam Hussein has to do. It is quite clear that he accepted that in February. It is also quite clear what the consequences would be of his violating that understanding.

Mr. Julian Brazier (Canterbury): Is it not clear that giving effect to those aims may eventually require more than air strikes, which are in danger of becoming the 20th-century equivalent of sending a gunboat? Will the Foreign Secretary ask his colleagues in the Ministry of Defence to revisit the assumptions that they have made in the strategic defence review on sustainability across all three services and in our defence industry, as the Americans are doing at this very moment?

Mr. Cook: I must remind the House that this Government took office after a period of substantial and continual cuts in Britain's defence capacity. Those cuts have now been arrested. We have produced a strategic defence review which meets the real needs of Britain in

the modern world. It is about time that those hon. Members who cut British defence spending in office stopped trying to preen themselves as the people on the side of the forces.

Mr. Andrew Robathan (Blaby): I am sure that almost everybody in the House would commend the Foreign Secretary on his resolve. However, he speaks of patience—does he not think that the world has been patient for long enough? Will he confirm that all avenues of the UN have been explored over eight years, yet Saddam Hussein still undermines the stability and peace of the region and terrorises his own people?

Does the right hon. Gentleman agree that Saddam Hussein's regime has no legitimate authority, but only the authority of force and the de facto authority that that gives him? The Foreign Secretary has said that he believes that we have no argument with the people of Iraq. Will he therefore take steps, through the UN, to arraign or indict Saddam before either a specially set up international tribunal or the projected International Criminal Court?

Mr. Cook: Saddam Hussein is the best single case for the International Criminal Court which we supported in Rome in the summer. I very much hope that it will be possible for us to make as rapid progress as we can in getting that court set up. In the meantime, we remain open to proposals for an international tribunal specifically to consider Iraq and Saddam Hussein. The hon. Gentleman is right to say that Saddam is plainly guilty of major atrocities and offences against humanitarian and international law, and it is entirely regrettable that, at present, there is no international mechanism to hold him to justice. We would wish to see that there was such a mechanism.

BILL PRESENTED

WILDLIFE

Mr. David Lepper, supported by Mr. David Chaytor, Mr. Cynog Dafis, Mrs. Helen Brinton, Ms Julia Drown, Jane Griffiths, Mr. Roy Beggs, Mr. Matthew Taylor and Mr. Tom Brake, presented a Bill to provide for conservation purposes to be furthered by any person discharging a function under the Wildlife and Countryside Act 1981; to make new provision for the protection of certain species and sites; and for related purposes: And the same was read the First time; and ordered to be read a Second time on Thursday 19 November, and to be printed [Bill 252].

Conduct of Referendums

5.33 pm

Mrs. Eleanor Laing (Epping Forest): I beg to move,

That leave be given to bring in a Bill to set up an election commission with powers over the conduct and financing of referendums.

Referendums have not been a traditional part of our democratic system. It is regrettable that, under the present Government, they are becoming ever more frequent. It is sad that a Government with so large a majority do not have sufficient confidence in their own policies to accept responsibility for them.

I accept that, in certain cases—where major constitutional change is involved—it is right to consult the people. However, a referendum is not a mere opinion poll to be used at the whim of the Government of the day. Opinion polls and focus groups have become popular with the Government, and we all know that if one asks the right question, one gets the right answer—or, rather, if one frames a question in a certain way, one will get the answer one wants.

That is all very well if the object of the exercise is to determine which soap powder washes whiter, or which instant coffee tastes most like the real thing. Such a cavalier approach is not acceptable when the point at issue is whether there should be a fundamental change to our voting system, whether the pound should be merged with the euro, or whether the composition of this Parliament itself should be altered. We are likely to be faced with referendums on all three of those issues, among others, some time in the near future.

It is truly incredible that the Government are willing to conduct referendums on such fundamental aspects of our democratic system, but are unwilling to entrench that very process of consultation in a properly determined framework. I hope that the House will agree that it is not only desirable but necessary to establish fair and clear rules, and to appoint an independent arbiter to govern the conduct of referendums.

The Bill will give legislative effect to the reasoned plea for real referendums—a campaign which was launched by my Conservative colleagues, and which has the support of hon. Members from all parties in this House, several Members of another place, the Electoral Reform Society, Charter 88, the Constitution Unit and the Institute for Constitutional Research. The Bill will also implement the recommendations of the Neill committee on standards in public life, which were published last month.

The main effects of the Bill will be: first, to set up an independent commission, the members of which shall be nominated not by the Government but by the Speaker; secondly, to give a remit to the commission to report within three months on a clear set of rules to govern the conduct and financing of referendums, including such issues as who is eligible to vote, what constitutes a sufficient majority, how the question can be worded and how access to public service broadcasting shall be determined; thirdly, to prohibit the holding of any referendum except those conducted in accordance with the rules laid down by the independent commissioners.

The Electoral Reform Society has called this a level playing field for referendums. It is hard to imagine why anyone who upholds democracy would wish to see a

[Mrs. Eleanor Laing]

referendum conducted other than on a fair and level playing field. If the purpose of consulting the people is to secure legitimacy for important constitutional decisions, first, voters must be well informed about the arguments on both sides of the campaign, and, secondly, the side which loses must be confident that the fight was fairly conducted.

For those two conditions to apply, the information campaigns must be adequately funded, and the funding must be equally balanced. It will therefore be necessary to provide for public funding for the campaigns, as the Neill committee recommended. It is utterly absurd that, at present, we have a democratic system which conducts general elections under strict rules—to our great credit in the UK, as one of the oldest and most stable democracies in the world—yet we have, over the past year or so, condoned a situation in which the Government have been able to spend substantial sums of taxpayers' money promoting only one side of a referendum campaign—for example, in the outrageously one-sided campaign in Wales. There can be no argument—it simply is not fair.

It is essential that an independent commission should lay down reasonable, clear and fair rules for funding on both sides of referendum campaigns as a matter of urgency, and certainly before another referendum is called—which, given the new-found enthusiasm of some Ministers for a single currency, could be at any minute.

I am pleased to have the opportunity to ask leave of the House to bring in this important Bill, but it should not be left to a humble Opposition Back Bencher to bring this matter before the House and to attempt to put into legislation a framework for the fair conduct of referendums. If, by any chance, the Bill fails to become law, and I suppose there is every chance that it will not—[Hon. Members: "Hear, hear."] I am grateful for the support of my hon. Friends. It is a pity that we are nearing the end of this Session. I sincerely hope that every hon. Member who believes in defending the democratic process will join me in calling on the Government to produce a Bill that will have the same effect in the next Session.

Question put and agreed to.

Bill ordered to be brought in by Mrs. Eleanor Laing, Mr. Martin Bell, Mr. Simon Burns, Mr. Nigel Evans, Mr. Michael Fabricant, Mr. Christopher Fraser, Mr. Bernard Jenkin, Miss Julie Kirkbride, Mr. Oliver Letwin, Mr. John MacGregor, Mr. Desmond Swayne and Mr. Shaun Woodward.

CONDUCT OF REFERENDUMS

Mrs. Eleanor Laing accordingly presented a Bill to set up an election commission with powers over the conduct and financing of referendums: And the same was read the First time; and ordered to be read a Second time on Wednesday 18 November, and to be printed [Bill 253].

Personal Pensions Mis-selling

[Relevant documents: The Minutes of Evidence taken before the Treasury Committee on 6th and 14th May, 25th June and 2nd July (HC 712-i to iv).]

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Hill.]*

5.40 pm

The Economic Secretary to the Treasury (Ms Patricia Hewitt): I welcome the opportunity to debate personal pensions mis-selling. It is a matter that directly affects the lives of many people, but it also raises deeper questions that affect us all, about the way in which the pensions industry is run, how it is structured and what role it can and should play in helping people provide for their futures.

The scale of pensions mis-selling is profoundly shocking. Hundreds of thousands of people have been mis-sold pensions and as many as 2 million people's cases will need to be looked into. The sheer scale of the problem makes its resolution a priority for the Government.

The matter is also of central strategic interest to the Government. We are facing a future in which people increasingly need to save. Employment is less certain. Increasingly, people can look forward to long periods in retirement and it is not possible through the tax system alone to help everyone to enjoy the standards that they have come rightly to expect.

However, before saving, people need to have confidence in the products that they use and the companies that look after their savings. The pensions mis-selling episode of the late 1980s and the early 1990s was a terrible betrayal of that confidence and forceful action is needed to put it right.

Mr. Nick Hawkins (Surrey Heath): Does the hon. Lady recognise that she and her ministerial colleagues substantially damaged the very real hope that people have of providing for themselves by giving the impression that the whole industry is riddled, if not with corruption then certainly with incompetence? She has seriously damaged people's opportunity to provide for their future while at the same time the Government are constantly raiding the state pension.

Ms Hewitt: That is absolute nonsense. The damage was done to people's confidence in the financial services industry by those responsible for the mis-selling of personal pensions. It was compounded by the failure of the previous Government, whom the hon. Gentleman supported, to put right the scandal of that mis-selling when it was first discovered. I shall return to that matter.

The performance of the financial services industry is also a vital ingredient in the future success of the United Kingdom economy. Many of the failings that led to mis-selling, and indeed to the delays in putting it right, are symptomatic of deeper problems within some—not all—pension firms. Senior management have to take their responsibilities seriously and ensure that their firms have effective management systems and that due priority is given to proper customer care. Firms must deal with those issues in their own commercial interests. Any firm that fails to look after its customers properly can scarcely expect the public's confidence or custom.

Delay is one of the problems that has dogged the review. Mis-selling started in 1988, and the research that confirmed the extent of the problem was published in 1993. The review was started in 1994. The first deadline for completing the priority review was December 1996. The deadline came and went and only a tiny proportion of cases had been dealt with—delay after delay.

Thanks to my predecessor and to determined action by the regulators, the industry was finally jolted into action last year. Now, genuine progress has been made. More than three quarters of the most urgent cases—the priority cases—have now been resolved. The life companies in particular have made big strides. On average, they have now resolved approaching 90 per cent. of their priority cases, and some have done even better. By the end of the year, all firms must have completed their priority cases, or face the consequences.

Even after that milestone is finally reached, much will remain to be done. I intend to see that the momentum that we have established since the general election is maintained. Now, all the firms must gear up to tackle phase two of the review, which broadly speaking will deal with the cases of younger people. In other respects, it is simply an extension of the phase one process, although there is a new approach—an innovation—to identifying which investors should be in the review, building on the experience of the first phase. Because of that, the phase two review process should be less onerous for firms.

In maintaining the momentum of the review, I regret to say that the main challenge that I face—still—is resistance from parts of the industry. That is not to say that all in the industry are of the same mind. I am pleased that many, including some independent financial advisers, are now genuinely committed to the review process and see the benefits of getting on with the job. Some have even gone so far as to re-examine the way in which they do business and to learn the lessons of the past, because they know that that is the best way forward. I urge all firms to follow their example of constructive action.

The industry has to pull together if it is to haul itself out of the hole that it dug for itself in the late 1980s and shape up to the challenges of the new millennium. I believe—I am sure that right hon. and hon. Members would agree—that the life industry can and should be a world-class industry, but first it must face up to its weaknesses and deal with them. It is not all good news. There are still some deep pockets of resistance.

The message from the Government has been clear and consistent: all firms must get on with their reviews or face the consequences. I find it extraordinary that there are still some people in the industry who seem to think that they are different and that this message does not apply to them.

Mr. John Butterfill (Bournemouth, West): Does the hon. Lady agree that it is surprising that some firms against which no complaint was made and in which no fault was found in phase one, are still being asked to go through phase two, look into every policy that they sold as independent financial advisers and conduct a total review, when there is not a shred of evidence to suggest that they engaged in any mis-selling?

Ms Hewitt: I thank the hon. Gentleman for that comment. It is encouraging that there are firms that found in their phase 1 review that they had not mis-sold any personal pensions. That should give them confidence as they move forward to phase 2. However, the fact that they achieved a satisfactory result on the priority cases—the older investors—does not mean that they can be excluded from the process of reviewing the advice that was given to younger investors. The younger investors also matter, and are entitled to have their cases looked at.

Mr. Hawkins: Does not the hon. Lady understand that many of the smaller independent financial advisers, who are struggling to make ends meet and to run a successful business, do not have the resources or vast amounts of time to waste on investigating matters that there is no need to investigate? The ludicrous naming and shaming approach that the Economic Secretary has adopted, and the idea that no one could ever lose money in any circumstances, will have one result: there will be no independent financial advisory sector, because she will have put all the IFAs out of business.

Ms Hewitt: That is nonsense. I shall develop my argument about what is going on among some independent financial advisers. Some of them seem to think that their inaction during phase 1 of the review was defensible. Faced with phase 2 of the review, they still choose to blame everyone except themselves. There are hundreds of thousands of people—constituents of all of us—younger as well as older, who have lost out as a result of being sold products that were wrong for them, in breach of the regulatory rules that were in force at the time. The firms concerned have a clear responsibility to establish whether any of their customers deserve redress as a result, and to make redress where it is warranted.

Mr. Phil Willis (Harrogate and Knaresborough): Does not the hon. Lady recognise that those regulations were not in place? They were applied retrospectively. That is the kernel of the problem for the small independent financial advisers, who acted in good faith and now find, with rules being applied retrospectively, that they are caught up in an awful debacle.

Ms Hewitt: I am extremely sorry that every Member of the House, whether in personal meetings with constituents who are IFAs or through the circular letters that have come from the Independent Financial Advisers Association, has repeatedly been misled as to the true situation.

The first thing that I did when I took responsibility for the review of personal pensions mis-selling and encountered the lobbying from the IFA Association was to press the Treasury and the regulators on the issue, to find out what rules were in force at the time. The regulations that were in force at the time, under the regulatory framework—inadequate though it was—put in place by the previous Government, stated that products that were sold by independent financial advisers or by life firms had to be suitable for the investor. The regulations also required those selling products to keep records of the sales. One of the difficulties facing many—not all—of the IFAs in the current review is that they did not keep adequate records—

Mr. Butterfill: Adequate.

Ms Hewitt: Adequate records. That in itself is a failure of regulatory compliance.

Mr. Nick St. Aubyn (Guildford): When an assessment is made of the advice given to their customers, will IFAs

[Mr. Nick St. Aubyn]

be deemed to have acted reasonably in working on the basis of the market conditions at the time, or is the suitability of their advice to be assessed in retrospect, in the light of the extraordinary changes in market conditions that have occurred over the past 10 years, in particular the dramatic fall in annuity rates?

Ms Hewitt: The hon. Gentleman, possibly, and the IFAA, certainly, are confusing two different issues. One is whether the product was sold in compliance with the rules in force at the time. The judgment as to suitability can be made only in the light of the regulatory conditions in force when the product was sold and in the light of the then market conditions. If it transpires that a product was mis-sold, the issue of whether there was a loss as a result of that mis-selling must be addressed. The loss can sensibly be calculated only by reference to what has happened since the product was sold. Those are two different parts of the test that must be considered before a decision is made to give compensation to the investor.

Mr. John Greenway (Ryedale) *rose—*

Ms Hewitt: I want to make a little progress with the argument. Every Member of the House has been lobbied—

Mr. Ivan Lewis (Bury, South): Does my hon. Friend agree that financial advisers who give good advice have nothing to fear from the regulations? Many of them will welcome the fact that good practice is being promoted and encouraged. Financial advisers who gave and give sound professional advice will benefit from a transparent system. Not only should we be on the side of the consumer and the investor, but we should aim to drive up good practice. Any financial adviser worth his salt will want to function in an industry where those who provide sound professional advice flourish, and those who do not are held to account.

Ms Hewitt: My hon. Friend is right. That is the central argument that should be made by every right hon. and hon. Member in response to the misleading lobbying and representations from the IFAA. That organisation has made it clear—

Mr. John MacGregor (South Norfolk) *rose—*

Ms Hewitt: I want to make some progress, if I may.

Mr. MacGregor: On the hon. Lady's point about loss, may I ask her a question? Losses will be calculated in the next year or two years. If market conditions change again, which is entirely possible, and the loss ceases to be a loss, and if the person concerned does not get the pension for another 20 years, which is very likely under phase 2, will redress be made at a later stage if the loss disappears?

Ms Hewitt: I shall return to that and other points. I want to develop the argument. However, I observe—I hope this will not be thought unfair—that the right hon. Gentleman is a director of one of the companies that was substantially fined by the Personal Investment Authority for not making adequate progress in the review.

Mr. MacGregor: On a point of order, Mr. Deputy Speaker. As you know, I have indicated that I wish to speak in the debate. The first thing that I shall do is to declare my interest, of course.

Mr. Deputy Speaker (Mr. Michael Lord): That is not a point of order for the Chair.

Ms Hewitt: The IFAA has made it crystal clear that it wants to stop, or at least delay or curtail, phase 2. The leaflet, which many hon. Members have seen, is clear about that. I do not find anything surprising—

Mr. Greenway: Will the hon. Lady give way?

Ms Hewitt: No, I am not giving way at this point. I have seen the leaflet, and the implication is entirely clear. The IFAA is an organisation whose track record has been to put its members' commercial interests ahead of the rights and welfare of their customers. It went as far as to take the regulators to court over the priority review in 1995. It lost that action, but it held up the review.

In all our constituencies there are people who trusted poor advice by some IFAs, and whose future may well be much poorer as a consequence. On average, in each constituency represented by a right hon. or hon. Member, for each IFA firm in that constituency, there are about 100 victims of poor advice from an IFA or a life office. If the IFAA and its supporters had their way and delayed or even stopped phase 2, those people would be left high and dry. Neither the Government nor the regulators will allow that to happen. The second phase of the review will go ahead. We will not allow the IFAA to wreck people's entitlement to the redress that they deserve.

I take the opportunity presented by this debate to ask the industry as a whole to think long and hard about the consequences of seeking to frustrate progress on phase 2. What would happen if it succeeded? The first damaging effect is that the industry would prolong the uncertainty for the victims of mis-selling, adding insult to injury. Secondly, it would prolong the agony for the industry as a whole. Despite a slow start, many in the industry have come to the view that the sooner it puts the shameful pensions mis-selling episode behind it, the better. The last thing that respectable firms want—or should want—is further delay and postponement of the day when the reputation of the industry recovers.

Mr. Quentin Davies (Grantham and Stamford): The hon. Lady has asked many questions of the industry, but I have a fundamental question for her that she has not addressed so far. What is the sense or justice in persuading IFAs to compensate those who have been mis-sold pensions and extracting large amounts of money out of life offices and pension companies without making any attempt to get those managers and salesmen who were responsible for the mis-selling to make a contribution? As things stand, 90 per cent. of the burden of compensation in the case of proprietary companies and 100 per cent. in the case of mutual companies is being borne by other innocent pensioners. One category of the innocent is compensating another category of the innocent while the

guilty—the managers and the salesmen who undertook the mis-selling, often very cynically and dishonestly—get away scot free. What is the sense in that?

Ms Hewitt: We have looked very carefully at where the costs of compensation should fall, and we have settled on a very clear and proper principle: the costs of compensating the victims of mis-selling should be shared and borne by those who profited from the mis-selling. Hence, the burden is distributed between policy holders and shareholders. Within mutual companies, it is borne by the policy holders.

Mr. Davies: The hon. Lady has clearly not understood my question. She is talking about distributing the cost of compensation between pension holders and shareholders. I am not talking about that. The really guilty ones are those individuals who did the mis-selling: the managers and the salesmen. There has been no attempt whatever to get them to pay up. Why not?

Ms Hewitt: I am astonished that the hon. Gentleman did not succeed—perhaps he did not try—in persuading the previous Government, whom he supported so strongly, to initiate the action that we are now taking to resolve this scandal. If the hon. Gentleman listens, as I do, to those who work in the industry, he will find that a substantial degree of pain has been experienced by those who have faced the consequences of their actions and, in some cases, lost their jobs as a result.

Mr. Steve Webb (Northavon): I pay great tribute to the hon. Lady and to her predecessor for the vigour with which they have pursued the mis-selling of personal pensions. However, the Treasury seems to have washed its hands of the mis-selling of free-standing additional voluntary contributions—which seems to be the same sort of issue. Will the hon. Lady give an assurance that she will pursue the mis-selling of FSAVCs with the same vigour as she is pursuing personal pensions mis-selling?

Ms Hewitt: I thank the hon. Gentleman for making that point. The Financial Services Authority has just published the results of its research into the mis-selling of free-standing AVCs. However, it is important to stress—I am sure that the hon. Gentleman understands this—that the problem involving the inappropriate sale of free-standing AVCs compared with AVCs into occupational pension schemes is of a very different, and fortunately lesser, order than the mis-selling of personal pensions. The latter removed people entirely from their occupational pension schemes.

I return to my point about the Independent Financial Advisers Association. If it and its supporters were successful in delaying phase 2, they would send a clear message to the customers of all IFAs that they are dealing with a second-class part of the industry, which—if it possibly could—would deny them the usual regulatory procedures. It would send the message that customers are dealing with people who appear not to believe in the need to put right past wrongs and take responsibility for their actions. Any firm that puts its weight or its money behind that campaign should not expect—and will not receive—any sympathy from me or my colleagues.

Mr. Greenway *rose—*

Mr. Butterfill *rose—*

Ms Hewitt: No, I will not give way. I have done so repeatedly during my speech. The IFAA should not expect any sympathy from the public or from the more forward-looking parts of the industry. Following the IFAA would be an act of blatant folly and, frankly, commercial incompetence.

It is perhaps not surprising that the life companies that are sympathetic to the IFAA's cause have been rather slow to identify themselves. Perhaps they are embarrassed—I can understand that—or perhaps they are aware of the damage that it would do to their reputations. My advice to any life company or any IFA that is pondering whether to lend its weight to the IFAA's campaign is to consider whether a more constructive approach might serve its interests better.

Mr. Greenway *rose—*

Ms Hewitt: I have given way repeatedly and I have made it clear that I do not intend to take any further interventions at this point. Hon. Members will have a chance to contribute to the debate, and I shall respond to their points later.

The Association of British Insurers has taken a laudable lead in this area. In a display of considerable foresight, it is launching a lifeboat facility to assist IFAs with processing cases and financing the costs of redress. It is up to the industry to make that initiative a success. I regret the fact that support for the initiative among the life companies is apparently incomplete. It is a very constructive and cost-effective way forward, and it is disappointing that some elements of the life industry have not yet decided to support the ABI initiative.

It is fundamental to the industry's recovery that the contempt for the public that was shown in the past becomes a thing of the past. Support for the ABI's initiative, which will assist the process of starting, progressing and completing phase 2 successfully, would help to restore public confidence. I urge all right hon. and hon. Members to emphasise to their IFA constituents that the existence of their industry is precisely the stake with which they are gambling. The path that some of them are pursuing will only damage their business.

In the longer term—my hon. Friend the Member for Bury, South (Mr. Lewis) made this point well—if compliance is poor and remedial action taken grudgingly, if at all, will reputable providers continue to sell through IFAs and risk the recovery of their own reputations? Will the public want to buy from them? Why should people be prepared to buy from IFAs when they believe that their complaints will not be dealt with if things go wrong?

Looking ahead, the Government are determined to act to ensure that scandals of this kind cannot easily occur again. We have learnt the lessons of the past and our clear conclusion is that we need a more effective system of regulation. One of the main reasons why the regulatory system failed to prevent or deal more swiftly with the

[Ms Hewitt]

mis-selling of personal pensions was that firms simply did not abide by the regulatory rules. Proper enforcement of the rules must be the cornerstone of good regulation.

It is true that the regulatory structure for investment business established under the Financial Services Act 1986 is not capable of delivering the standards of investor protection that the industry and the public have the right to expect. The multi-regulator system—with the old Securities and Investments Board at the top and the self-regulating organisations, such as the Personal Investment Authority, on the front line—allows too much opportunity for overlap, gaps and confusion.

Some of the regrettable delays that occurred—and to which I referred earlier—in getting the pensions review off the ground were a direct result of one organisation, the SIB, setting out the framework for action but others, the self-regulating organisations, having to carry it through. The Government's published plans for reform will ensure that none of the problems associated with the two-tier structure arise again. The regulators will be given a structure and powers that are more conducive to speedy and effective action.

We also intend to ensure that the interests of consumers receive due weight in regulation and in Government policy development. The previous Government's failure to do that contributed to the mis-selling of pensions on a shocking scale.

We need also to empower consumers. People need to be much better able to understand what it is that they are buying. Education, combined with the regulatory requirement on firms to provide key information on the products that they are selling will have a powerful effect on consumers' ability to compare products and will help people to help themselves.

Looking to the future, the Government are reforming the way that financial services are delivered. I recently announced our plans to set CAT—charges access terms—standards for individual savings accounts. That will give consumers the information that they need to understand what they are getting, so that where necessary they can exert genuine pressures on providers to offer good value. Pension reform is also on the agenda. The lessons that we have learnt from the pensions mis-selling episode are very much at the front of our minds as we set about that task.

I am also pleased to say that the Financial Services Authority is working with the thrust of the Government's productivity agenda to develop a better understanding of the competitiveness of United Kingdom financial services and the ways in which intelligent, better regulation can be a key source of competitive advantage in the modern global economy.

Mr. Barry Sheerman (Huddersfield): Does my hon. Friend agree that that is the sort of phase that we want to see? We want to see this phase of financial services put behind us, with Ministers shouting at the industry and the industry shouting back. From my experience in other industries, I believe that co-operating to give a world-class service to consumers is what we should be about.

Ms Hewitt: My hon. Friend is absolutely right. I have no desire to shout at anybody. I never shout at anybody. However, I am not prepared to let anyone in the industry get away with some of the misrepresentations and delaying tactics that have been used. My hon. Friend is right to stress that it is in the interests of a competitive world-class financial services industry, including the providers and the advisers within it, to get phase 2 under way and successfully progressed as quickly as possible.

The FSA will have a specific duty under our proposals to have regard to the desirability of maintaining the competitiveness of our financial services. It will be working also to promote disclosure and customer understanding of the risks and benefits of investing in different financial products and services.

The Government inherited a terrible scandal affecting very many people. The previous Government simply did not have the guts to put things right or to give the regulators the tools and support that they needed. Since May 1997 giant strides have been made. The pressure that my predecessor and the regulators put on pensions firms has worked. We will continue with that pressure and, if necessary, increase it until this sorry episode is at an end.

6.12 pm

Mr. John Whittingdale (Maldon and East Chelmsford): I welcome this opportunity to debate the issue of pensions mis-selling. The Economic Secretary was right to say that it is an important issue which has affected thousands of people. However, I have to say that I regret that the hon. Lady has continued the practice of her predecessor in concentrating on attacking those firms and individuals that were guilty of mis-selling, but failing to acknowledge that the vast majority of those working in the financial services industry do an excellent job for their clients in an honest and conscientious way.

I would have hoped that the Economic Secretary would take more seriously the real concerns of those in the industry about the next phase of the review. It is perhaps more understandable that the hon. Lady chose to say nothing about the Government's actions towards those trying to provide for their retirement, as on any account the Government's record is a disgrace.

Mr. Brian Jenkins (Tamworth): I am sitting in the Chamber taking lectures from the hon. Gentleman, but would he like to comment on the fact—I am referring to a reply in *Hansard*—that the Department of Health and Social Security ran a campaign about "breaking the chains" which cost taxpayers £1.2 million? It was intended to lead people in a new direction. Many in the industry feel aggrieved that they have not received an apology from the previous Government.

Mr. Whittingdale: I am glad that the hon. Gentleman raises that point because it allows me to say something about the background to the issue that we are debating, and in particular to point out that it was not the Social Security Act 1986 that was responsible for the mis-selling that occurred. Instead, responsibility rests with the actions of some of those in the industry who abused the opportunities that the Act provided.

The 1986 Act created personal pensions. For the first time, it removed the division between those who had the advantage of their own occupational scheme and those who did not. For those who were self-employed, for those who worked for employers who did not offer their own scheme and for those who moved frequently between

employers, the Act gave an opportunity to have a pension scheme personal to them and fully portable as they moved from job to job. Not only did it give freedom and choice in pension provision to many who did not have it before, but for millions it meant that they are or will be better off in their retirement.

I entirely accept that for others, that was not the case. Mis-selling occurred as providers took advantage of the provisions of the 1986 Act to persuade investors to opt out of their existing occupational scheme or not to join one when it was clear that that was against their financial interests. In doing so, those providers were clearly acting in breach of the rules of the regulatory organisations of the time. The central principles of those rules were the requirements to ensure that the product was suitable to an investor's circumstances and that the advice was in his or her best interests. In too many instances, those principles were clearly breached.

As soon as it was apparent that that was the position, action was taken. The review announced in 1993 by the Securities and Investments Board was unprecedented. When the evidence showed that there had been systematic mis-selling, the SIB issued guidance which established the priority groups and which required its members to seek out all cases within them.

Mr. David Kidney (Stafford): The hon. Gentleman has referred to the rules that were breached in many instances. Will he take the opportunity to distance himself from the letter that we have all had from the IFA Association, which states that the rules were imposed retrospectively?

Mr. Whittingdale: I want to come on to the concerns of the Independent Financial Advisers Association, which I think are entirely genuine. Where mis-selling occurred, the IFAs are the first people who want to see that situation tackled and for redress to be given.

I return to the background to the issue that we are debating. I accept that initial progress was too slow. The information required was detailed and complex, making the process far too lengthy and bureaucratic. However, that, too, was addressed by the issue, in 1996, of simplified guidelines by the SIB to speed up the process. They were backed up by a statement of policy by the new Personal Investment Authority.

It is not true, as I think the Economic Secretary implied, that the Government stood by. Indeed, I would like to pay tribute to the work of Angela Knight, who when she was Economic Secretary, was assiduous in pursuing these matters and putting pressure on the industry to act. The only change since then has been the volume at which the words of the Economic Secretary have been delivered. All the regulatory mechanisms and sanctions that are being applied to the industry were put in place by the previous Government. The Economic Secretary is pursuing, as did her predecessor, exactly the same policy towards this issue as was established under the Conservative Government. The requirements on the industry to put right cases of mis-selling were laid down under the previous Conservative Government and the regulators were ensuring that they were put into practice.

Of course the Government are right to bring public pressure to bear, but they should acknowledge that the progress that has been made is as much, if not more, to do with measures taken before the general election as it is the result of accusations and threats made at press conferences by the Economic Secretary and her predecessor.

Mr. Greenway: If I catch your eye, Mr. Deputy Speaker, I will expand on this declaration of interest. Many hon. Members know that I am the chairman of the Federation of Insurance and Investment Intermediary Associations, which includes the IFA Association. The federation is not saying that there should not be remedies under phase 2. Central to my hon. Friend's point is that the 1994 assessment of what should be done in the review on phase 1, which has been replicated in phase 2, is the cause of the difficulty. My hon. Friend is making the valid point that the previous Government took action. The IFA Association's quibble is not with this Government and the need for action, but with whether those 1994 rules should be applied without being reconsidered.

Mr. Whittingdale: My hon. Friend is absolutely right. He has considerable knowledge and expertise on this matter, and I hope Mr. Deputy Speaker, that he will be successful in catching your eye later in the debate.

My hon. Friend mentioned IFAs and I turn now to phase 2 of the review, which is about to start. While the bullying and the intimidatory tactics of the previous Economic Secretary may not have been entirely necessary to achieve progress under phase 1, they are wholly inappropriate and unjustified for phase 2. The issues are much less clear cut and mainly concern younger people who are several years away from retirement, and we are considering advice that was given at a time when standards and market conditions were very different.

The burden of the phase 2 review is likely to be crippling for many small firms, but its justification is far less obvious. Under phase 2, advisers are required to seek out claims by writing to clients in envelopes that say on the outside, "Are you owed?" If investors request a review, it has to be conducted not according to the market conditions prevailing at the time, but according to the conditions of today's market which are vastly different.

In the 10 years since many of the transfers took place, annuity rates have fallen dramatically. The result is that those who took advice to transfer accrued benefits into a personal pension in 1988 today require 37 per cent. more in their retirement fund to provide the same pension. Nobody could have foreseen such a change, but under the rules, advisers are expected to provide compensation for its effects, although it is by no means clear that investors will ultimately suffer any losses as a result since investment conditions may well have swung back by the time that investors eventually retire.

Mrs. Jacqui Lait (Beckenham) *rose—*

Mr. Butterfill *rose—*

Mr. Whittingdale: I am spoiled for choice. I give way to my hon. Friend the Member for Beckenham (Mrs. Lait).

Mrs. Lait: Does my hon. Friend agree that today's statement by the Chancellor and the increased public borrowing of which he spoke will lead to an increase in gilt interest rates and hence raise annuities again?

Mr. Whittingdale: I admire my hon. Friend's ability to find a silver lining in the cloud of the Chancellor's statement. In that at least I hope that she is correct.

[Mr. Whittingdale]

As I said, nobody could have foreseen the changes that have occurred. It is hardly any wonder that the industry is beginning to view the review as not about providing compensation where mis-selling has occurred, but about ensuring that no one loses any money under any circumstances.

Advisers are also being judged retrospectively on today's standards. In the vast majority of cases, advisers may well have made clear to their clients the potential risk involved, but 10 years ago, there was not the stringent requirement that now exists to keep records of advice given. The Economic Secretary said in her speech that the industry was misleading people by claiming that it was not required to keep proper records, but many of the IFAs that are now being criticised for not keeping records were at the time subject to several inspections by the regulatory organisations, and at no point did the regulators make any comment about the lack of records. Yet the burden of proof will now be placed on the advisers to show that they are not guilty of mis-selling rather than the reverse.

If phase 2 proceeds as intended, it will offend natural justice and lead to hundreds of long-standing and reputable firms going out of business. Unlike the big providers, they do not have policyholders or reserves to meet the costs of the review, let alone any compensation that might have to be paid.

It has been estimated that to assess the loss on any single case will cost about £1,000. The average cost for a firm of completing phase 2 is likely to be about £600,000, but the average annual turnover of an IFA firm is around £200,000—a third of that amount. On top of that, IFAs are now experiencing substantial increases in the cost of professional indemnity insurance, as a direct result of the potentially horrendous liabilities that they may face under phase 2.

The pensions advisers support systems scheme put together by the providers is welcome, but it deals only with the problems of phase 1 and it will not be enough to stop many small IFAs being tipped into bankruptcy if phase 2 of the review goes ahead under the present rules. Many of those firms, in the high streets of towns and villages across the country, have been providing sound and sensible advice to their clients over many years. They have never been found guilty of any kind of mis-selling and they are as anxious as anyone in the House for there to be redress for anyone who has been genuinely wronged.

However, as a member of one such typical small firm in my constituency said to me:

"We are being judged as guilty by everyone including the press before we have had a chance to prove our innocence and in any proper court of law we would not be subjected to the rules and regulations that we are in this current environment."

He went on to say that

"my fear is that there is a hidden agenda by this Government to actually wipe out the whole of the Independent Financial Market".

Such concerns appear all too real when one hears the belligerent noises made by Treasury Ministers. Statements such as the press release issued by the right hon. Member for Airdrie and Shotts (Mrs. Liddell), headed:

"Helen Liddell has IFAs in her sights",

are not helpful. Instead, they seem to confirm the industry's worst fears and undermine the public's confidence in the financial services industry.

I therefore appeal to the Government and the regulators to listen to the industry and work with it rather than shout at it. The industry is asking not for phase 2 to be stopped, but for its concerns to be dealt with. I am worried when I hear from the IFA Association that it has been seeking to meet the Minister to discuss its concerns and work out an acceptable solution, and has not been able to achieve even that. Of course we want proper redress for those who are entitled to it, but we also want a viable, successful financial services industry.

I turn now to the actions of the Government, who are themselves guilty of robbing pensioners of thousands of pounds. In the 18 months during which the Government have been in office, they have launched an unprecedented attack on those seeking to provide for their retirement and on savers generally. Within a few weeks of the election, the Chancellor introduced a pension tax that will cost pension funds over £5 billion a year. As a result, more than 10 million people will have to pay more into their pension schemes or else find that they receive less than they had planned when they retire.

Of course, the Government introduced that measure by stealth. They hoped that nobody would notice that they had been fleeced until many years later when they came to retire. Those are double standards of the worst kind. Millions of pounds are being devoted to an advertising campaign to alert investors to phase 2 of the pensions review, but investors are being deliberately keep in the dark about the fact that the Government have raided their pension schemes and cut the income that they can expect when they retire.

The full cost of the Government's pension tax is now becoming clear. The recent report of the trustees of the universities superannuation scheme estimates that the loss to the fund is approximately £70 million a year. That is not a possible loss; it does not depend on investment conditions or annuity rates; it represents a loss to the fund of about £500 each year for every beneficiary or future beneficiary of the scheme. There will be many more such trustees' reports to come.

On top of that, we now learn from the *Daily Mail* that the Chancellor may be planning a new stealth raid on our savings. In order to fill the black hole in his finances, he is considering restricting tax relief on pension contributions to the basic rate, hitting millions of higher rate taxpayers and providing a further disincentive to save. I ask the Economic Secretary to take this opportunity to make it clear that this report is untrue and to reassure investors that the tax relief at the higher rate will not be removed.

Mr. Hawkins: My hon. Friend has just been talking about double standards. Does he agree that the title of this debate ought to be "Government policy on pensions: mis-sold"?

Mr. Whittingdale: I entirely agree with my hon. Friend. People will think that while many of those in the industry might have been guilty of mis-selling, in many ways what they have done pales in comparison with this Government's record in fleecing the pension funds of every single occupational pension scheme member.

If all this were not enough, the Government have also scrapped tax-exempt special savings accounts and personal equity plans, two of the most successful savings

schemes ever devised, and are to replace them with an inferior, unpopular and ill-conceived product that is already being rejected by the public and the industry alike.

While the Government are saying that they are attempting to persuade savers to invest in equities, there is a deafening silence about the much-vaunted stakeholder pensions. Nearly a year after the discussion document was published, we appear to be no nearer to an announcement. Indeed, according to today's *Financial Times*, the whole scheme has now been torn up by the Treasury which has gone back to the drawing board. It is hardly surprising that the whole pensions industry is now beginning to suffer from planning blight.

The cumulative effect of the relentless attack on savings has been, not surprisingly, to reduce the amount that people want to save. Eighteen months ago, when the Conservative Government were in office, the savings ratio stood at 10.3 per cent. The latest figures show a fall of nearly 25 per cent., far steeper than was predicted in the Government's own Red Book. That is bad for investors, bad for business and bad for the country.

The mis-selling of personal pensions was a scandal that should be put right, but when it comes to defrauding those who are seeking to make provision for their retirement, the real offenders are the Government. Theirs is the real scandal, and it is they who should be providing redress.

6.31 pm

Mr. Jon Trickett (Hemsworth): I thank the House authorities for arranging this important debate on a subject that affects the lives of very many people, and I hope to be able to correct some of the false impressions given by the hon. Member for Maldon and East Chelmsford (Mr. Whittingdale).

Britain is justifiably proud of the size and strength of its financial sector. In this sphere, it can truly be said that Britain remains a world-class player. We can boast about the size of the sector and the excellence of the services that it provides. The phrase "City of London", which denotes the financial services sector in the United Kingdom, has also always been regarded as coterminous with the highest standards of moral rectitude. Sadly, a substantial part of the sector fell significantly below the standards to which it ought to aspire in the matter of personal pension mis-selling.

The sales forces of some of the most prestigious names in the City misled huge numbers of people. Furthermore, even when the scale of the mis-selling of personal pensions became evident to everyone, the same companies proceeded to drag their feet. They failed to meet almost every deadline, even those deadlines that had been agreed by the industry itself. What is more, they were aided and abetted by the Tories.

In government, the Tories had created the statutory regime that allowed the mis-selling to take place and then proceeded to prevaricate themselves, which allowed the issue to drag on for years. When Labour took office in May last year, only 2 per cent. of the pensioners who had been identified as having been mis-sold pensions had received compensation. That is the scale of the Tories' indolence or, worse still, complicity in the process.

It is to the eternal credit of this Government that they acted with determination and speed to bring a resolution to the scandal. I congratulate my hon. Friend the Economic Secretary on continuing to pursue the matter with energy and vigour. She will clearly need all that energy and vigour because, to judge from my case load and that of many hon. Members to whom I have spoken, it seems that many personal pensions companies will, I am afraid, continue to drag their feet and prevaricate for a long time.

I represent the former mining seat of Hemsworth. I wish to inform the House precisely how the pensions industry operated in the coalfields, especially the Yorkshire coalfield. Its record has been scandalous. The mis-selling of personal pensions was at its height at precisely the time when the coal mining industry was suffering an industrial cataclysm. For reasons that are known and which have been debated many times in the House, the coal mining industry was decimated. That was a great economic error but, in human terms, it represented a personal tragedy for thousands and thousands of families.

In my constituency alone, nearly 10,000 men lost their jobs in a matter of a few years. It was obvious that few miners in the communities that I represent would have immediate access to a new job. Many of the older men knew that they would probably never work again. Indeed, I am aware of the fact—it is more than anecdotal evidence—that many of the older men were told by the jobcentres and by the very civil servants who were meant to be finding them work that they would never work again.

The men had two assets. First, most of them were in receipt of a redundancy payment in the order of £20,000, or perhaps a little more. Secondly, they frequently had pension funds in the miners' pension scheme. However, as we know, the MPS has a rule whereby a pension does not commence until the pension-holder attains the age of 65.

The miners, their families and their communities saw the pit closures as a great tragedy, but the pension companies saw things a little differently. They saw redundant miners as a marketing opportunity. It does not take a mathematical genius to calculate that, in my constituency alone, 10,000 redundancy payments at £20,000 a piece resulted in a very large potential market of around £200 million, in addition to the funds already in the pension scheme.

The pension companies marketed their products hard. Many thousands of people in my constituency and elsewhere in the coalfields were sold inappropriate products. Miners had been told that society would be unable to find them another job, and now their only assets—their pensions and their redundancy moneys—were placed in jeopardy by some of the most prestigious household names in the country. That is a great scandal, but behind that scandal lies an even greater one, and that is the mechanism that the pension companies utilised to sell—or mis-sell—their personal pension schemes in the former mining communities. I shall describe the process to make sure that it is on the record.

It was quickly apparent to the pension companies that such communities are tightly knit and that there was little point in dispatching their conventional sales forces, with their gold cards, designer clothes, yuppie telephones and so on, to those areas. Instead, ex-miners were recruited by the pension companies, given rapid and inadequate training, and then sent out into their own villages and townships to prey on their former mates. Conservative Members are nodding their agreement.

[Mr. Jon Trickett]

The training that those people received was wholly inadequate. Those ex-miner trainees were supposed to pass exams before they went out selling, but I am aware, and can prove, that there was widespread cheating, aided and abetted by the companies, in that process. I have been told of the complicity of senior regional managers of nationally known and supposedly reputable pension companies in assisting former miners to complete exams so that they could go on the road to sell, or mis-sell, pensions to their former mates.

Such regional managers had been given sales targets by people higher up in the organisations. They considered the redundancies to be not a great human tragedy unfolding before this nation, but a golden opportunity.

Mr. Willis: What the hon. Gentleman is describing is not only a personal tragedy for the miners concerned, but an absolute insult to those communities, which no one would condone. Does he have evidence that independent financial advisers were working in those communities and mis-selling in the same way?

Mr. Trickett: I will come to the case of an independent financial adviser. It is clear to me that independent financial advisers were part of the mis-selling of pensions in the mining communities, but that was a different type of process from the one that I am describing.

The regional managers and the large companies, as well as the smaller companies, considered the redundancies to be not a great national tragedy, but a golden opportunity. They were prepared to close their eyes to such practices. As a consequence, ill-trained and inappropriately recruited former miners donned their Sunday-best suits and went back into their own communities to sell inadequate schemes, which they did not fully understand, to their neighbours, friends and former workmates. It is a great scandal that huge commissions were offered to that sales force to identify pension transfers from the miners' pension scheme.

Mr. Quentin Davies: The abuses that the hon. Gentleman is so vividly describing indeed took place, and he is absolutely right to say what he has said on that subject, but, in those circumstances, does not he think it quite extraordinary that those managers have kept their bonuses, those dishonest salesmen have kept their commission and his Government, as the Economic Secretary has told us, propose to do absolutely nothing about it? They intend that the full burden of compensation should be paid by innocent pension-holders.

Mr. Trickett: My point is that the culture of dishonesty, which is all that it can be described as, ran from top to bottom in those organisations. It is entirely inappropriate for the hon. Gentleman to say that the salesmen were dishonest. They were innocent dupes—ex-miners who were down a pit hacking coal and contributing to the wealth of this country one minute, and put into their Sunday suits and sent out with inadequate training the next. There was no dishonesty, other than the dishonesty of the pension fund managers.

Precisely the same process was in place in respect of the regional managers of the pension funds. I have spoken to some of them, and I understand the pressures that they were placed under. A culture of greed, which was encouraged by the previous Tory Government, infiltrated the industry throughout and led to the most scandalous processes taking place.

I have recently assisted one of my constituents, who operated in exactly the manner that I have described. He was promised massive earnings by a national company, which it would not be prudent to name. He was given training, encouraged to cheat in his exams and then put back on to the streets and into his own communities. He failed to sell—I should say mis-sell—pensions in adequate numbers. The company then lent him money in lieu of wages and of commission that should have been earned, which was a further disgrace.

When I met my constituent, he was being threatened with court action by one of the largest companies in the financial services sector in Europe. It was proposing to take him to court to recover the so-called loans with which he had been provided as a substitute for wages and for commission that he had failed to realise because he was not competent to sell the goods that he had been employed to sell. That is a disgraceful episode.

Mr. Davies: Go on, name the company.

Mr. Deputy Speaker (Mr. Michael J. Martin): Order.

Mr. Trickett: I will not name the company, but I have given a clue, if the hon. Gentleman chooses to find it.

I then entered into correspondence, as hon. Members would expect, with the chief executive of the company, who is a public figure of some stature and whose company is a household name. Hon. Members might anticipate that such an individual would be ashamed of his company's behaviour. He was not, and he is not. The company wanted to recover all its so-called loan from my constituent. It used the interesting argument that it did not want to concede in my constituent's case, although it was accepted that he had been treated unfairly and badly, because of the precedent that that might create for others in the same position.

The logical deduction is that many people were put in the same position as my constituent. It is evident that the industry paid scant regard to the manner in which its products were sold in the coalfields and in the country at large. The high moral reputation of the financial services industry seems to have been little merited in relation to either its customers or even its own sales force.

Part of the industry is once again engaged in special pleading in respect of the second phase of the pensions review. I know that the Government will stand firm. On that issue, as on so many others, the Government will show that they stand on the side of the many, not just of the few.

I have no doubt that we will be remorseless in representing the consumer interest and that we will press on to phase 2. May I respectfully ask the Economic Secretary to find time to address the issue of the many pension-holders who have had their cases reviewed, but have not yet received compensation? They are having to wait inordinately long periods for their compensation to be paid. The procedure is necessarily detailed—I understand that, as do my constituents—but it is in danger of being over-bureaucratic and cumbersome.

I am particularly concerned about those pensionholders who go through the whole process only to find that the agency which mis-sold the pension is no longer in a financial position to pay compensation. I am aware of one such company. It is still trading and acknowledges that it should be paying a series of pensioners compensation for mis-sold pensions but, over the past few months, it has deliberately cancelled its indemnity insurance cover, thereby making itself unable to pay compensation. That means that my constituents will have to wait further inordinate periods to receive what is rightfully theirs. They are the poorest in a community drowning in poverty.

There is an investors' compensation scheme, which acts as a safety net in such cases. Unfortunately, it has been my experience that the scheme is operating far too slowly and, moreover, leaves too much responsibility in the hands of individual pensioners, who frequently face mighty financial institutions.

Today, I received from the investors' compensation scheme a further letter about a particular case. We are now back in a loop that we have already been around three times in relation to my constituent. I wonder why the scheme cannot take action to address his problems. Will my hon. Friend the Economic Secretary consider reviewing the scheme's operation, with a view to expediting matters for those unfortunate individuals whose situation requires them to have recourse to it?

6.49 pm

Mr. John MacGregor (South Norfolk): I shall begin by declaring an interest. First, I was a non-executive director of London and Manchester and I have recently become a non-executive director of Friends Provident. I joined the London and Manchester board early last year. The fines that were applied to both boards related to periods well before I was a non-executive director. As the Minister raised this matter, I want to assure her that I have been assiduous in trying to ensure that we deal with pensions mis-selling as quickly as possible. I want to make it clear that I am not defending the previous position.

I am pleased to say that I am a non-executive director, because I believe that it is important that people who have some knowledge of what is happening out there in the industry contribute to such debates. I was delighted to join London and Manchester, because I have had a lifelong interest in the encouragement of long-term savings, especially in relation to owner-occupation and the property-owning democracy. That is what brought me into politics. I want to see the widest possible extension of savings, and I am very much aware of the importance of savings for the younger generations if they are to have a happy retirement.

Savings are particularly relevant for lower income groups, at whom the Government were aiming their pension reforms. London and Manchester has concentrated on those groups. I was particularly keen to play a part in carrying that forward. Friends Provident has strong Quaker origins, and the Quaker influence is still very strong. And I agree with the Minister's remarks about customer care in such companies.

My second interest is as chairman of the House of Commons pension fund trustees. We do not have personal pensions, but we have free-standing additional voluntary contributions. That experience gives me further insights into the responsibilities and some of the difficulties involved in these issues.

I want to make a balanced and positive contribution to the debate. I want to put my points to the Minister in a constructive spirit. I welcome her to her new post, and I congratulate her on it. She has a heavy responsibility to ensure that we get the balance right. That is what I want to try to explain in my contribution.

The starting point for all of us is the recognition that we need to encourage many more people to make long-term savings, particularly for their pensions. We all know that the state pension will be a smaller proportion of average earnings in 20 or 30 years' time. That is common ground between us: it is also the Government's view. We all want to encourage second pensions, and we all recognise the difficulties faced by low-income groups, people who frequently break careers or who never have a career. Encouraging long-term savings is one of the most important priorities for the Government.

I was going to say that we are looking forward to hearing what the Government have to say about building on the second pension, whether compulsory or not. I was also going to say that, when the proposals are presented, the help that the industry can give the Government will be important. However, I noted the headline story in today's *Financial Times*, which suggests that the Government have dropped their plans for sweeping pension reforms.

Ms Hewitt *indicated dissent.*

Mr. MacGregor: I hope therefore that, in her wind-up speech, the Minister will tell us that that is untrue, and that she will make the position clear. If there is any question of the Government dropping their plans for substantial reform, the need to establish a regime that will encourage many more people to save on their own and will encourage companies to introduce these schemes will be all the more pressing.

The omens are not particularly good. The surveys that I have seen show that a substantial proportion of people, including young people, realise that the state pension will be far from sufficient when they retire. About 85 per cent. of people understand that, so that message has got through, which is good. When they are asked whether they are doing anything about it on their own initiative, only about 12 per cent. reply in the affirmative. There is a huge gap, and thus an enormous challenge.

Final salary schemes, which are the most attractive schemes, will decline as a proportion of company schemes, because companies, for a variety of reasons, are moving to money purchase schemes. It is important that we promote money purchase schemes with company contributions, and that we encourage people to take out personal pensions. That will be right for them in principle if the pattern of their working life is different from what it used to be, and if they change career several times. The introduction of personal pensions was entirely right in principle, and we must build on them and increase their role.

The report in today's *Financial Times* showed the complexity of these problems:

"Members of the government admitted compulsion was 'dead' and that the review had shifted away from initiating low-cost, funded 'stakeholder' policies and towards modifying the regulatory

environment to encourage industry provision of such schemes. 'We've been impressed how fast the private sector and trade unions have set up low-cost stakeholder lookalikes,' said a minister."

Friends Provident was one of the first into this market, and is working with trade unions. That is a highly attractive way of tackling the problem. The report goes on:

"'It's now a question of how we shape the market place and the Treasury is at the forefront of deciding this,' said another government member."

The hon. Lady may say that none of that is true, but if it is an indication of the Government's thinking, there needs to be strong co-operation between the Government and the industry to achieve the objectives we all seek.

I envisage two major problems. The first has been referred to already. The abolition of advance corporation tax and the reduction in the income of pension funds introduced by the Government last year will have a profound effect on the provision of pensions in the period ahead. Indeed, if there is a pension scandal, pension robbery or devaluation of benefits, the Government's action will, in the long run, be a stronger example of that than any of the pension mis-selling.

I have heard of companies that have already experienced the impact of these measures in their triennial valuations, because they considerably reduce the income stream. It is the income stream on which those valuations are based and from which the pensions eventually come. At the time, the Government argued that the valuation should be based on the capital of the funds, but we have seen in the past few months how fickle and dangerous that can be: it is the income stream that is important in the long term. The change that the Government made last year was a retrograde step.

Ms Gisela Stuart (Birmingham, Edgbaston): The right hon. Gentleman referred to pension robberies. Will he comment on the value of the basic state pension in 1976? Given what happened to SERPS during the Conservative regime, the state pension has been reduced to such an extent that someone retiring in 2028 will draw a SERPS plus basic state pension that is less than the value of the basic state pension was when the previous Labour Government left office.

Mr. MacGregor: The present Government have exactly the same policy, because of the difficulties of funding a state scheme. Hence the importance of ensuring that we get the corporate and private sector position right.

I heard about the reports in the *Daily Mail* yesterday of possible further moves by the Government to reduce pension contributions if they reduce the tax relief on contributions to private sector schemes. I asked the Chancellor this afternoon to make it clear that the Government do not intend to take further action on pension funds and contributions. He muttered quickly that there were no such proposals, and then talked about bank windfall taxes, which had nothing to do with the point I was raising. I suspect that he may regret muttering under his breath, but I profoundly hope that there will be no further moves to attack pension funds. I should be grateful if the hon. Lady confirmed that in more detail.

The second major problem concerns pension regulations and the mis-selling. I do not condone the mis-selling, and in no way do I defend it. People were taken out of occupational pension schemes—the NUM case is a good example—or, if they had the choice of an occupational pension scheme, they were persuaded to go for a personal pension without any company contribution. I do not condone that at all, and I recognise the need for compensation in all the relevant cases; but we must get the balance right. We must recognise the existence of many beneficiaries of the introduction of personal pensions, and its substantial contribution to the provision of pensions, improved living standards for many retired people, the encouragement of self-help and a reduction in what would otherwise be a much higher level of taxpayer-provided welfare benefits. The introduction of personal pensions is a positive development; it is the consequences of the mis-selling of a small proportion of the total that we must put right.

Mr. Andrew Love (Edmonton): According to the *Financial Times*, the latest estimate is that mis-selling will account for some £11 billion. How can the right hon. Gentleman describe that as a small proportion of the whole?

Mr. MacGregor: I shall come to the £11 billion later. My point is that, given the importance of personal pensions in the future and the need to attract many more people to them, the amount resulting from mis-selling will constitute a comparatively small part of the amount that must be raised. It should be remembered that the total value of the United Kingdom's pension fund industry—I know that that includes company pension schemes—is currently well over £600 billion.

Many companies were slow to embark on the pensions review, and did not recognise quite what enormous resources would be needed. That was clear to me when I first became involved. We must recognise that there will be a high cost—and here I refer not to compensation, but to complex administration.

The process is taking a long time, not just because potential beneficiaries do not always respond and organisations such as the national health service have, during the first stages, been slow to give details. It can take many hours of highly qualified work by those calculating the consequences of a single case of mis-selling to reach a conclusion. I have examined some cases myself. Qualified actuaries—including retired actuaries—often have to be brought in. I am very much aware of the effort expended by the company in which I was involved.

It is rather like the millennium and the computer industry, in that a whole new industry is being created in the short term to sort out the problems, with large salaries being paid. I make no complaint about that; I merely observe the phenomenon.

Other policy holders will often have to pay the cost. There is a balance to be struck there as well. As my hon. Friend the Member for Maldon and East Chelmsford (Mr. Whittingdale) pointed out, those policy holders are innocent, and are looking forward to good pensions themselves. So we must exercise a sense of proportion in the future.

In the early stages, the regulatory bodies—especially the Securities and Investments Board—were slow to issue guidelines, and then kept changing them. To an extent they are still changing them, and that remains a problem

for many companies. I understand that different life companies have been influenced by differing guidelines that they have received from regulatory bodies, which is adding to the confusion and uncertainty.

Against that background, let me make a specific point to the Economic Secretary. Just when it is crucial for the Government to create an atmosphere that encourages people to take out pensions, they are in danger of doing the reverse. Vilifying the industry makes consumers unwilling to consider the product. It is no good the Government saying that people should take out more pensions; an industry is needed to sell the pensions and to give appropriate advice, and if that industry retreats into its shell, or large parts of it disappear, the whole cause is badly served.

Mr. Kidney: Will the right hon. Gentleman give way?

Mr. MacGregor: I am anxious to make progress, but I will give way once more.

Mr. Kidney: May I put the contrary view? How can the public have confidence in those who sell pensions until this whole unfortunate incident is put behind us? Does the right hon. Gentleman not agree that we need to crack on and finish the matter before there can be confidence in the industry?

Mr. MacGregor: That is precisely what I have been saying to the industry: that we must conclude the process as soon as possible. I think that that has almost happened with phase 1.

Let me make some positive suggestions. The first relates to phase 2. There are, I think, some issues to be revisited. As the hon. Member for Stafford (Mr. Kidney) implied, there is a danger that, if phase 2 lasts for a long time—it could well do so, given the way in which it is currently constructed—an image that is the opposite of what the Government want will persist for the next five years. Phase 2 is different from phase 1, in that it deals with different types of case and different types of person. It should not be subject to the heavy, costly, complex and time-consuming regime that affected phase 1.

There is a genuine difficulty, which needs to be resolved. Let me make two points. First, I think that it is worth looking again at the rebate-only cases. There cannot be much of a loss to individuals in such cases, because they made no extra contributions themselves. I have not had an opportunity to examine the losses in detail, but phase 2 involves many rebate-only cases; and I am not sure that, if they all had to be examined in detail and it was then found that the loss was de minimis, we would have achieved much of an objective.

Secondly—this was the point that I tried to make when I interrupted the Economic Secretary—we should look again at the assessment of loss. What should be considered are the conditions that obtained at the time the policy was taken out. Those conditions cannot be changed some years later. Let us suppose that I took out a life policy—as I have—and then found that we had moved into an era of low inflation and low interest rates. I would then receive a much smaller terminal bonus than I might have expected five years earlier, but that would be no reason for me to say that the policy had been mis-sold to me in the first place, or that I should be compensated for the fact that interest rates had fallen.

If the argument about loss is taken to extremes, the Government will start saying that the unit trust industry should be held responsible if at any time, when people cash in their unit trusts, they are worth less than they were two months or two years earlier. That is clearly absurd, but there is an element of it about the way in which loss has been calculated in relation to phase 2. My hon. Friend the Member for Maldon and East Chelmsford was quite right.

We now have low interest rates, low returns and low annuity rates. Let us suppose that a loss is being assessed now, 10 years after a policy was taken out. If the pension will not be paid for another 20 or 30 years—which, in many phase 2 cases, is quite likely—the person concerned is being compensated for a loss that may never actually happen, because the calculation was made at a particular time. It may be necessary to recalculate the whole thing two years later—because the programme is not finished—and it may then be found that the loss is no longer a loss. The Economic Secretary will have to address such problems.

Mr. Butterfill: Some cases were examined in 1995. It was discovered that those who had been sold the pensions were selling at a profit, in one instance a profit of £2,500. Because of changes in the market, however, that person is now shown as having suffered a £38,000 loss. Is that not ludicrous?

Mr. MacGregor: That is exactly the point that I am trying to make. There will have to be some way of dealing with the problem; otherwise there will be another scandal. It will be found that the whole matter was badly organised by the regulator, and by the Government.

Phase 1, of course, dealt with people who had retired or were close to retirement. In their case, the loss could be calculated, but that does not apply to most phase 2 cases.

Mr. Laurence Robertson (Tewkesbury): Does my right hon. Friend agree that, with personal pensions, as well as financial considerations, two other benefits are to be taken into account? First, they are completely portable, and secondly, they allow for a 25-year retirement age. Many occupational pensions would not have those benefits. Should not that be taken into account when assessing their value?

Mr. MacGregor: Those are certainly some of the benefits of personal pensions. That is why it is right to go on making it clear that they have a large part to play.

In the whole of this regime, we do need the certainty of a set of guidelines that are laid down at the start and adhered to throughout the process. One of the difficulties has been that they have changed throughout the process and that many of the providers and IFAs—independent financial advisers—were not aware of what the guidelines were when they were operating their marketing.

Mr. Love: Will the right hon. Gentleman give way?

Mr. MacGregor: I am sorry. I should go on.

We should avoid retrospective regulation; it is also important to ensure consistency throughout the whole regulatory system. If that is not done, my worry is this: there will be far fewer IFAs. The professional indemnity

[Mr. MacGregor]

loss business that is coming through shows what the marketplace thinks about that. IFAs will be constantly at risk, including from people whose career changes may be significant, which may lead them to try to exploit the whole regime to the disadvantage, unfairly, of an IFA. IFAs will not have the resources to ensure that they can meet all regulatory requirements in future. That is why it is important to have certainty and a clear system from now on for them.

It would be a serious tragedy if there were a substantial reduction in the IFA industry. Of course, there are some poor operators in the industry—we all know that—but there are many genuine people who give good advice throughout, and that advice is needed by many of the people who should be taking up pensions.

I saw this particularly at London and Manchester, whose home service industry goes out and gives advice to people who would not otherwise think of taking out long-term savings. Recent independent market research shows how much that service is valued. If it disappears, something important disappears.

Incidentally, there is a danger in moving to exclusively multi-tied IFAs. I hope that the Government are not contemplating that because it would lead to a considerable loss of independence.

The next consequence will be that companies, both providers and IFAs, will concentrate on execution-only. That is already happening with Marks and Spencer's, Scottish Widows and many others, and it is driving a coach and horses through the regime.

It looked as though the Government were going to encourage execution-only in the low-cost stakeholder pension that they were going to introduce. Supposing those execution-only schemes did not give as good pension outcomes as those that were done with advice. Who is then guilty of the pension mis-selling scandal? The people who would be guilty would be the Government who had insisted on exclusively execution-only. That again shows the importance of recognising that advice is desirable; and that it comes at a cost, inevitably.

In many cases, the fact-finds that companies are undertaking through all their sales men will be counter-productive. They involve two long meetings and detailed reason-why letters. Often, it will simply be unprofitable to carry that process through. Why are the companies doing it? The answer is that they have to give themselves complete protection against any future, retrospective changes in the regulatory system. That, too, will lead to a diminution in the amount of pensions sold.

I recognise that the regulatory authorities—the Personal Investment Authority or Securities and Futures Authority, whichever it is—have a difficult job. I recognise that there has been mis-selling and we must avoid that, but we must ensure that we get the balance of the regime and phase 2 right because, at the moment, the risk is that the pendulum will swing too far in the other direction—which will be in no one's interests, least of all the Government's. The Government, like me, desire to see many more occupational pension schemes taken out and much more long-term saving. That is our objective, and we must ensure that we do not diminish or destroy it by an overburdensome and badly worked out regulatory regime.

7.14 pm

Ms Gisela Stuart (Birmingham, Edgbaston): I welcome this opportunity to introduce to the debate the need for personal pensions and how that fits in with the whole picture of personal pension misselling. The Ross report, which was commissioned by the Labour Government, makes it clear that there is a future for personal pensions, and recognises that it will always be true that personal pensions are not suitable for everyone and that the state continues to have a role. It recognises the continuing need for private-public partnerships in this sector, but also makes it clear that we must learn from the past; we must learn from the mistakes.

I tried to make the point in an intervention that what the previous Government had done to SERPS made it clear that some Government provisions were not free from Government interference. Therefore, if we want to encourage the public at large to provide for their retirement with confidence, we need far more robust vehicles in its place.

Pensions mis-selling—how did it come about? It started with encouraging people to opt out of SERPS. With hindsight, and in the light of actuarial assessment, the previous Government were somewhat too generous, certainly in the first 10 years, in the SERPS opt-out arrangements, which may have encouraged people to opt out who should not have opted out.

Similarly, when, in 1988, it was no longer compulsory to be part of an occupational pension scheme, that in many ways opened the floodgates for personal pension mis-selling. There was an argument that early leavers from occupational pensions paid too heavily, so that option should have been given, but the situation has been remedied to quite an extent.

What have we now? If my information is right, and I have no reason to doubt it, in this quarter, for the first time, the number of personal pensions being taken out has dipped, which is serious. Some people say that it is a sort of planning blight. Individuals are looking at where the Government are going with individual savings accounts and therefore holding back, but it shows a serious crisis of confidence in the insurance industry's performance.

Whose fault is mis-selling? It is interesting that the debate goes from greedy salesmen to insufficiently trained salesmen to the previous Government's hasty push of people into personal pensions, but no one suggests that it is the fault of policyholders; yet, when we look at who should pay for it, we ask the policyholders of the large companies to do so. The people who have the least fault in this fiasco are being asked to pay the bill. It is somewhat bizarre.

If an insurance company is owned by its shareholders, it is clear that, provided there is no with-profits policy in the company, the shareholders are involved in this. With mutuals, of course, it is the policyholders who have to pick up the whole bill, but one company is in a difficult position: the Prudential. It is a company with shareholders which also issues with-profit policies. That means that the return depends to some extent on the profits that are made by the company.

The Prudential is also the worst offender in terms of pension mis-selling. Last July, it had to increase its estimate of the cost of mis-selling from £450 million to £1.1 billion. It was suggested that, in the light of the whole size of the pension industry, that was not

significant. I still suggest that for one company to run up a liability from mis-selling of £1.1 billion is extraordinary. Sir Peter Davis told the Treasury Select Committee that the mis-selling bill would be set against an estimated £12 billion surplus capital on its long-term life insurance fund. Of that £12 billion, about half is needed to meet policyholders' reasonable expectations.

In my innocence, I used to assume that, if I took out a with-profits policy with an insurance company, I got the profits made by that company. In fact, I get what that company's actuary deems to have been my reasonable expectation. It is a case of losing every which way. The figure involved for the Prudential was £12 billion. If one argues how much of that does not have to be met by reasonable expectations, the agreed figure is probably about £7 billion.

All that is rather quaintly called orphan assets. It is not clear who owns the orphan assets. This is beginning to remind me of a debate that was held in the late 1980s and early 1990s about who owned the surplus in occupational pension funds. It was the issue of the surplus in occupational pension funds that got me into politics, and I am beginning to suspect that orphan funds will keep me here.

Who owns the assets? The Consumers Association argues that the assets should be treated as an exercise of demutualisation, and that they should be paid out to the current shareholders or policyholders. I am reluctant to do that, because the orphan funds have been built up over generations, and they would be paid out over only one generation of fundholders.

There is a strong argument for the shareholders having access to the orphan funds. I understand that the Department of Trade and Industry is currently holding discussions with companies about what should be done with the funds. Alternatively, it could be left to the courts. It was ultimately the courts that decided that the surplus in occupational pensions should be seen as deferred pay. In that way, the matter was resolved.

What could companies do with the extra assets? They could pay extra dividends, help to fund acquisitions or help to expand the business. What is unacceptable is that the funds have been used to pay for pensions mis-selling. We are again asking those who have no responsibility to foot the bill.

I saw another problem when reading a press release from the Prudential insurance company. It refers to the company's appointed actuary. I understand that the duty of a company actuary is to represent the interests of the policyholders. The current Prudential actuary, Peter Nowell, has significant shareholdings and share options with the company. I believe that, even if declared, his interest as a shareholder is contrary to the interests of the policyholders. I ask the Institute of Actuaries to look at that because it is unsatisfactory.

Where do we go now? One of the largest and most respected companies is and continues to be one of the worst offenders. We have the unresolved situation of orphan funds being used to pay for the mis-selling, which is inappropriate. It is obvious that we need better and clearer information. We can look for benchmarking. If we look to see whether the insurance industry has learnt anything, the evidence is not encouraging.

A total of 1 million free-standing additional voluntary contributions have been sold, with an investment of about £4.5 billion. Recent newspaper reports suggest that we may be looking at compensation claims of up to £675 million, affecting some 50,000 to 70,000 people. How did free-standing AVCs come about? There were people in occupational pension schemes who could have paid AVCs into their own schemes, but who were encouraged to look at free-standing ones. It was argued that free-standing AVCs were preferable to company AVCs because of their portability, wide investment choices and privacy. They were also said to be convenient for people who move jobs.

In October 1998, Bacon and Woodrow said that the advantages of free-standing AVCs over in-house AVCs were "largely illusory". Something that was never mentioned on free-standing AVCs was that the salesman received commission. That was an unmentioned major advantage.

The major players in the selling of free-standing AVCs were Allied Dunbar, Pearl and Prudential. It was said earlier that companies making home visits may be thought to give better and more appropriate advice. That fact does not seem to be borne out if we look at the companies involved in free-standing AVCs. The companies that may be most implicated in selling inappropriate free-standing AVCs may be some of those companies making home visits.

Free-standing AVCs are not suitable for many people. For example, schemes such as those for the armed forces have high accrual rates, and those in the pension schemes quickly run up against Treasury limits. The industry feels that the area where one might find most mis-selling is where the trustees of a pension scheme have arrangements with a company to supply AVCs on special terms but the salesman does not pass on those special terms. The individual involved may have heard the name of a company and thought that it was a good deal without looking at the small print. I am not suggesting that the inappropriate sale of free-standing AVCs in any way comes close to pension mis-selling, but it is a clear indicator that the industry is not listening or learning.

The average return on an in-house AVC is 10 to 15 per cent. higher than for a free-standing AVC. Over 10 years, we could be talking about the equivalent of one year's premiums. So not only are the theoretical advantages largely illusory, but the financial returns do not come up to scratch. Any person considering free-standing AVCs in the future should be provided with clear information about how they compare with in-house AVCs. The trustees of occupational pension schemes could pay more attention to that issue, and provide clearer advice.

We are told that the industry is learning, that it is becoming more transparent and open. That has to happen if it is to deal with this. However, this week I saw a statement on personal pension PEPs from NPI. I compared it with a statement issued six months ago. The earlier statement was clear—it showed what was paid in, the current value and how the investment was performing. In fact, the returns on the policy involved meant that it was now worth less than the amount that had been paid in over 18 months.

Surprise, surprise, over the six months, the statement format had been changed. The categories and boxes had changed, and it took a great deal of leafing through to work out that the value had dropped. If we want to educate people so that they can make informed choices, we must be up front.

[Ms Gisela Stuart]

One of the biggest illusions about pensions is that there is a risk-free pension investment. Whether it is the Government, private industry or whatever, pensions involve risk. Unless we give people appropriate information, which we are not doing now, they cannot make choices on risk. The industry is still hiding facts from policyholders.

The Association of British Insurers came to talk to a group of Members of Parliament on occupational pension schemes. I questioned one of the representatives about the *Which?* report which had been published a week before. That report looked at 80 personal pensions, but found none of them satisfactory and would not recommend any of them. I asked the insurance industry for its response. I was told that the *Which?* criteria are phoney, and that the report made bizarre statements, such as that pensions would be a bad buy if cashed in within three years. I became angry, because it was on the very day that the *Financial Times* had run a huge article stating that 60 per cent. of personal pensions are cashed in within the first three years. Industry representatives therefore came to Parliament to talk to hon. Members about occupational pensions, and thought either that we do not read newspapers or that, if we do read them, we cannot match what we read with what we are being told. It shows the industry's unwillingness to be honest. Unless and until the industry is honest, there will be no faith in it.

Some pension companies have a worse track record than others in the number of policies issued for which payments are not up to date. Although I should not say that there is a direct relationship between track records on payments and the quality of advice given, it is interesting to note that Britannic Assurance, Old Mutual, Royal and Sun Alliance, Albany Life and United Assurance have a particularly high withdrawal rate in the first few years, because people stop paying in. Perhaps such high rates show that personal pensions were not the right policies for those people.

I very much hope that the Government's individual savings accounts will be a vehicle that allows people to build up assets. It has been interesting to see Opposition Members shake their heads and reject ISAs before the public have had a chance to give their verdict on them. Nevertheless, Radio 4 is running a wonderful competition to find a slogan to sell ISAs, and I should tell the House that the slogan "There is nothing nicer than a Government ISA" has been banned.

Where do we go from here? I think that it will increasingly be recognised that there will continue to be a public-private relationship in pension provision, and that the insurance industry has a significant part to play in it. It is no good the insurance industry continually assuring us that people trust their personal adviser but mistrust the industry. Such a statement tells me only that personal advisers individually are doing a good selling job. I think that people are right to mistrust the insurance industry.

There must be accountability and openness for people trying to build a personal pension. There must be a stage at which people of any age can ask, "How much have I built up? Will it pay for my old age? What are the likely returns?"

People must also be aware that investments are never safe, and that we take risks. However, the current system does not allow us to take risks. As there is an interesting selection of trustees of the parliamentary pension fund in the Chamber, I shall use myself as an example. Before deciding whether I should put everything into the parliamentary pension fund, I should know whether I will be re-elected. Therefore, in about three years, I will know what I should have done—which is clearly an unsatisfactory situation.

I welcome the Government's continued insistence on dealing with pensions mis-selling. However, some of the industry is still in denial and is not recognising its responsibility. Moreover, as events of the past few years have shown, the industry tries always to be one step ahead and just that little bit cleverer than everyone else. It must realise that it has to work within a very robust framework, which I hope the Government will create.

7.32 pm

Dr. Vincent Cable (Twickenham): It is somewhat intimidating to speak after two of the House's leading experts on pensions—the right hon. Member for South Norfolk (Mr. MacGregor) and the hon. Member for Birmingham, Edgbaston (Ms Stuart)—both of whom spoke eminently good sense in a non-doctrinal manner, leaving the rest of us with a rather reduced amount to say.

I should like to pursue the "who-who" question of who benefited from pensions mis-selling and who is now paying for it. It has been estimated that about £11 billion will have to be paid in compensation for pensions mis-selling, and it would be a useful exercise to trace where that £11 billion might have gone.

Four categories of people or institutions benefited from pensions mis-selling, the first of which—as the hon. Member for Grantham and Stamford (Mr. Davies) said in a couple of interventions—was composed of salesmen and executives. They benefited from mis-selling, but have fled the scene. Moreover, under the current regulation system, they were not liable for those transactions. They cannot be traced, and carry no personal liability for events.

The second set of beneficiaries comprises the companies, or some of them, that sold the pensions. They benefited from enhanced earnings, and therefore improved share prices and improved dividends. Nevertheless, there remains the fundamental question—which the hon. Member for Edgbaston pinpointed at the beginning of her speech—of where within companies the benefits accrued. Did they accrue to shareholders, or to current policyholders? Moreover, how should costs now be spread between those two groups? I shall return in a moment to the latter point.

Other groups of beneficiaries of pensions mis-selling have not been mentioned. One major group were employers generally. As employers did not have to make contributions, companies earned 5 to 12 per cent.—a large sum. Strangely, although we attach great stigma to those who gave bad or inadequate advice, it has never been suggested that employers in either the private or public sector were reprehensible for failing to warn employees of the cost of not maintaining their occupational pension scheme.

A fourth set of beneficiaries comprises occupational pensioners themselves. They have benefited from the fact that transfers out of occupational schemes were often made on very disadvantageous terms. Everyone with an occupational pension is therefore better off because of pensions mis-selling. They may not be aware of that

benefit or feel a sense of guilt about it, and it is almost certainly impossible to trace them, but great income redistribution among pensioners has been occurring, for which there is no account.

The problem is that people in several of those categories can no longer be traced, so that the £11 billion cost will have to be paid by specific groups that can be identified and targeted. Although it is absolutely right that the Government should have aggressively pursued the compensation issue, and that pensioners should be compensated promptly when possible, as several hon. Members have already said, two specific categories have been forced to carry a disproportionate share of the costs.

One of those categories is independent financial advisers. Although I do not want to labour the point—my hon. Friend the Member for Harrogate and Knaresborough (Mr. Willis) has the largest number of IFAs of any constituency and will speak later in the debate about that issue, which has already been clearly stated—IFAs are, in some but not necessarily all cases, being punished not for mis-selling but for lack of foresight, which is the crucial distinction. The only appropriate basis for compensation would be what an occupational pension scheme would have produced for the pensioner when the private pension was sold. That principle of compensation is not being observed.

As the hon. Member for Edgbaston eloquently said, the other category of people with whom we are concerned is current policyholders. Ministers have said that, as a matter of principle, within companies, shareholders should be carrying the cost burden of pensions mis-selling. However, it is not clear how the matter is being pursued, or whether the burden is being carried appropriately. It would be helpful if the Minister dealt with the matter in his reply.

I do not want unduly to delay the House, but I conclude with a couple of forward-looking conclusions. Although it is easy to be wise and virtuous in hindsight, the key issue for us is to determine what lessons we have learnt from the whole sorry escapade.

The first lesson should be the danger of dogma, and that a "one size fits all" approach to pensions was not right. Although personal pensions—which many of us have—were a good advance, and are appropriate for those who are occupationally mobile, they do not fit everyone, just as owner-occupation is not the only style of housing. I hope that we, and especially the previous Government, have learnt a lesson about such an approach.

Mr. Quentin Davies: Before the hon. Gentleman leaves the first conclusion, will he say whether he agrees that it suggests that, in pensions, CAT marking is no substitute for advice?

Dr. Cable: The hon. Gentleman is right. CAT marking creates an expectation, at least in some people's minds, that the Government stand behind a financial product. In 10 or 15 years, perhaps there will be people who believe that they have been sold products that had an implicit Government guarantee. We can all appreciate the dangers of that.

The hon. Member for Grantham and Stamford has led me to my second and final comment. The conclusion that we should draw from the matter is that the principles underlying financial sector regulation are complicated. It is very difficult to strike the right balance between over-regulation and under-regulation. We have been through a phase when, arguably, financial services have been under-regulated, and the only relevant principle was caveat emptor. That is a correct principle, as people should be careful when they are buying, but we know what happens when that principle is dominant—there is dishonesty, and people lack the information to operate properly in the financial services market.

Now, however, there is a danger of lurching in the opposite direction, with the system becoming over-regulated so that products are priced out of the market, and providers do not offer new products. We have to get the balance right. That is why it is absolutely crucial to have legislation as soon as possible on financial services regulation. That will help us to understand whether the right lessons have been learnt and the right balance struck.

7.39 pm

Mr. David Kidney (Stafford): As the hon. Member for Twickenham (Dr. Cable) said, we have heard a number of constructive speeches that have drawn on the lessons of the past and sought to apply them to the present and the future. Today's debate is particularly well timed as the Government are about to embark on some enormous policy changes. The first, which has been alluded to several times today, is the long-awaited Green Paper on pensions, setting out the next generation of pension policy for Britain. We are all looking forward to that important document, particularly to see whether it includes a new design of stakeholder pensions or citizenship pensions for those such as carers who are unable to make continuous contributions.

The second policy change, involving the new individual savings accounts or ISAs, starts next April and has also been mentioned in the debate. There are implications for ISAs as a result of pension mis-selling in the past.

The third development in the near future, to which the hon. Member for Twickenham referred at the end of his speech, is the draft legislation in respect of the Financial Services Authority. The hon. Gentleman looks forward to reading the Bill when it is published, but it will obviously be based on the draft Bill on which there is currently consultation.

Clearly, there are important lessons to be learned from how the regulations under the Financial Services Act 1986 operated when pensions were being mis-sold as to what should be in the next financial services and markets legislation.

Fourthly, I should mention almost as a footnote to the debate on pensions, that a draft Bill was published for consultation over the summer on pension sharing between spouses when marriages break down and how existing pensions should be split.

For all those reasons the timing of the debate is most apposite. However, for the Treasury Select Committee on which I am pleased to serve, the timing of the debate is slightly awry. As hon. Members will see from the Order Paper, although the minutes of evidence from hearings held over the summer are available to inform today's debate, the Select Committee report has not yet been published. Perhaps hon. Members will take it as a plug that the report will be produced very shortly. I hasten to

[Mr. David Kidney]

add that what I say now is entirely my own view and not the view of the Treasury Select Committee or the contents of its report.

The value of the debate lies not in the apportionment of blame, although I am happy that many hon. Members accept that things went wrong and that there are lessons to be learnt. Rather it is to face up honestly to what went wrong and to identify the lessons to be learnt so that we can avoid making the same mistakes again and anticipate offshoots of those mistakes arising in future.

It is helpful, however, to ask what went wrong and to say, as my hon. Friend the Economic Secretary to the Treasury did, that between 1988 and 1994 some 5 million personal pensions were sold in Britain. Astonishingly, more than 2 million of them need to be reviewed for the possibility of mis-selling.

What is meant by mis-selling? According to current regulations, three criteria have to apply. First, did the seller breach a regulation requirement at the time of the transaction? In other words, was there a compliance fault? Secondly, has the buyer suffered a loss? Thirdly, was that loss caused by the seller's compliance fault? If the answer to all those questions is yes, it can be said that the pension has been mis-sold.

So how did buyers lose out? Overwhelmingly, as the hon. Member for Maldon and East Chelmsford (Mr. Whittingdale) pointed out, the problem affected people who were persuaded to opt out or not to join or to transfer away from an occupational pension scheme, thereby usually losing the benefit of employers' contributions. The Financial Services Authority estimates that about 1.4 million personal pensions sold at that time will be found to have been mis-sold at a total cost to the financial service industry of a massive £11 billion, including the compensation paid to individuals who were mis-sold pensions and the administrative costs to the companies involved.

My hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart) mentioned the actuaries Bacon and Woodrow, who estimated total costs of £22 billion, but most in the industry have difficulty with that estimate.

On the subject of what went wrong, one has to ask where the regulators were. As Opposition Members have said, there were regulators who visited premises and inspected paperwork, yet between 1988 and 1991 when mis-selling was at its height, we heard not a word from the regulators. When research disclosed that mis-selling was taking place on a huge scale across the entire country and the regulators announced that there would be action, which eventually comprised a review with a deadline of 1996, nearly everyone missed the deadline. Phase 1 of the review should have been completed by the end of December 1996, but at that time hardly anyone had started the process. It is now likely that phase 1 will be completed by the end of this year—two years late—and only then will phase 2 reviews start.

It is also important to recognise that the buyers who were mis-sold pensions were not the only ones affected, but that a great wrong was done to the reputation of Britain's financial services sector—in which we all take pride—as a world-beater. The industry has certainly been damaged. It is vital to complete the review, pay the compensation, learn the lessons and then to move on.

Although we are studiously avoiding apportioning blame, it is important in learning the lessons to see how the candidates for villain performed during the period in question. I intend to go through the cast of the Government of the day, the regulators, the insurance companies and their sales teams and the independent financial advisers.

It was clearly the policy of the Government of the day at the time of the Social Security Act 1986 to shift large numbers of people from the state earnings-related pension scheme to personal pensions. Apparently, there was the attraction of cost-free pensions paid for by national insurance rebates topped up in order to look as though they would represent a better deal than SERPS. In addition to the policy aim of persuading people to leave SERPS, there was an expensive advertising campaign to persuade people to do so. I refer the House to an excellent debate on the subject on 10 May 1995 when the present Minister of State for Social Security, my hon. Friend the Member for Southampton, Itchen (Mr. Denham), made an excellent speech that still reads well today and was extremely prescient. I should like to borrow one reference that he made to a memorable advertisement of the day, which showed someone tied up in chains upside down, representing their existing pension provision. The advertisement said of the new personal pensions:

"employees will be able to choose their own Personal Pension scheme instead of staying in SERPS or an employer's pension scheme."

I accept that the Government of the day did not intend that people should be mis-sold personal pensions. It is a valid policy to want to persuade people to leave SERPS and take out personal pensions, but the unintended consequence was that lots of people were persuaded to leave occupational pension schemes in which they were well off and take out personal pensions instead.

Mr. Butterfill: I am sure that the hon. Gentleman recognises that there were occupational pension schemes in which people were not particularly well off or that were not suitable for them. It is wrong to suggest that everybody would have been better off remaining in an occupational scheme.

Mr. Kidney: I gladly accept that. When I was explaining how people made a loss I said that it was mostly those who left occupational schemes to which their employer had made a contribution. I accept that there were advantages for some people in having a personal pension rather than being in their employer's occupational scheme.

The final accusation against the Government of the day is that they set the regulatory framework that was intended to police the selling of pensions. The Financial Services Act 1986 established a mix of agencies and self-regulatory organisations—nine in all—which overlapped in some areas and left gaps in others on the policing of pension selling.

I shall now leave the charge list against the Government of the day and move on to the regulators. As Opposition Members have already said, every year the regulators made their checks of independent financial advisers and companies that were selling personal pensions, looking through their paperwork and making spot checks, and apparently found nothing to comment on, even though it

is clear that there was an immense amount of pension mis-selling at the time. That is a clear failure on the part of the regulators. They failed to work in concert, resulting in overlaps and gaps in consumer protection. One memorable occasion was in 1994 when the Securities and Investments Board eventually issued its guidance, leaving the SROs to promulgate it as rules. The SROs took a further six months to convert the guidance into rules to be enforced.

Mr. Greenway: I commend the hon. Gentleman on the accuracy of his trawl through what went wrong. I know of one firm regulated by the Investment Management Regulatory Organisation that was commended in the late 1980s and had its records described as exemplary. In the post-1994 regime, even though it took time to get going, the firm was fined £200,000 for the same records.

Mr. Kidney: I thank the hon. Gentleman for illustrating my point. I do not encourage him to take that argument too far, because the Government of the day established the regulators. When research disclosed that there was a problem and the regulators finally swung into action to stem the problem, they took years to bring matters to a conclusion—indeed, we have not yet seen the conclusion. I remind the hon. Member for Grantham and Stamford (Mr. Davies) that the Government of the day did not give the regulators the power to impose fines on individuals, such as directors of companies, found guilty of mis-selling pensions.

I turn now to insurance companies and their sales teams. Did an unhealthy dependence on commission payments from employers to employees contribute to the problem? Employers paid by results, paying only for sales achieved. There was pressure on employees to complete sales because their pay depended on it. How did the companies check what their sellers were doing in their name and on their behalf? Where were the internal checks on compliance?

Mr. Laurence Robertson: The hon. Gentleman describes the employment of salesmen in those days. He will recall that they were often not employed at all, but were self-employed. That was legal. Does that not suggest that the conditions under which pensions were sold in those days were very different from the conditions now?

Mr. Kidney: I accept that. One of my hon. Friends who is no longer in the Chamber earlier made a compelling point about redundant coal miners who were trained and sent out. I accept that some of them were employees and others were classed as self-employed for taxation purposes. They had so much difficulty earning their commission that they had loans to tide them over. That would have been an added pressure to make sales.

The last charge against the insurance companies is that they were slow to respond to the regulator's requirements for a review. In recent years whacking great fines have been imposed on the companies—not the directors, of course—for missing deadlines that were imposed on them.

The last group in the cast are the independent financial advisers. I am a fan of IFAs and have a great deal of sympathy for their difficulties. I have met IFAs in my constituency to talk about the phase 2 review. IFAs claim that they are responsible for half the sales of personal pensions. Some of those pensions have been found to have been mis-sold. However, their share of mis-sold pensions is very modest compared with the insurance companies.

IFAs complained that there was not sufficiently detailed guidance in the rules when they made the sales, but they pride themselves on being—and advertise themselves as—the givers of best advice. It ill behoves them to complain if their advice sometimes fell below that standard.

Some IFAs have been slow to respond to the request for reviews of their cases. Had there not been such a delay in dealing with the reviews, they might have found that the cost of paying the compensation years earlier would have been less. I shall not go as far as my right hon. Friend the Member for Airdrie and Shotts (Mrs. Liddell), the former Economic Secretary to the Treasury, in calling them laggards, but I support the initiative that she took immediately on arriving in that post in calling in the major players in pensions mis-selling and laying it on the line to them that the Government intended to see the end of the episode.

What lessons can we learn from those experiences? I should like to take us through some of the same cast. The first lesson for the Government is to have clear policy objectives.

The Government of the day must also show sufficient competence in putting their policy objectives into effect, so as to avoid unwanted and unexpected side-effects. The third lesson for the Government is that it is their responsibility to set an effective regulatory framework for those objectives.

Curiously, the Financial Services Authority is carrying out much of its work of regulation under a set of contractual arrangements with the existing regulators, because the statutory backing for its activities is not yet in place. The first lesson for the regulator is that it must have the clear chief objective of protecting consumers. We shall return to that subject when we debate the Bill that will put the FSA on a statutory footing, but as things stand it is noticeable that several of its objectives appear to have equal standing, so there is a danger that priorities will become confused. The number one objective, at the top of the list, must be the protection of consumers.

Secondly, the FSA must have the flexibility to adjust to changing markets and new products. It is important that once the Government have legislated, there is sufficient ability, in terms of rule-making and secondary legislation, to move on from time to time and keep pace with the fast-developing market in financial services.

My third point for the regulators has already been commented upon several times. The authority needs the power to hit where it hurts, and to hit those whom it should hurt. Compensation must be ordered to be paid by those who should pay, such as companies whose shareholders stand their loss. The authority should also be able to impose fines on those responsible, including directors and controllers of the activities of individuals. It should be able to withdraw authorisation from those who repeatedly breach the regulatory requirements.

My final point in examining the lessons to be learnt by individual organisations is that the insurance companies need to review their policies on payment by commission. It is not for the Government to tell insurance companies how to reward their staff, but it would be right for the

[Mr. Kidney]

FSA to say that it wanted to know precisely how they intended to do so. If there appeared to be an unhealthy reliance on commission in making up a reasonable salary for employees, it would be fair for everyone to expect the authority to pay closer attention to the activities of such a sales force. If pensions mis-selling were then found, it would be fair to expect fines to be imposed and compensation ordered. Such an approach would make most companies think carefully about the proportion of pay made up of commission.

As my hon. Friend the Member for Edgbaston said, insurance companies must also learn the lessons of what has gone wrong, and put in place proper internal compliance processes to check what their staff are doing—in their name—in the street and in people's homes.

My third point for insurance companies is that it is vital for them to pay more attention to persistency rates—to how long the pension policies that they sell last. It is good business for companies to want to follow up the sales of their pensions by going back to customers and checking whether their needs have changed, and if so, selling them more business. They would then have more contented customers, who would pass on the company's name to their friends and families.

There are three further issues, all of which have been mentioned by previous speakers. The first is that of kitemarking, benchmarking or CAT standards—CAT standing for charges, access, terms.

Ms Stuart: I urge my hon. Friend to draw a clear distinction between kitemarking and benchmarking. They are different, and one may be less desirable than the other.

Mr. Kidney: I shall gladly do so.

The second issue is consumer education, and the third is companies' so-called orphan funds.

I have come to the conclusion that kitemarking would be an unwise and unsafe development in personal pensions selling. Every personal pension needs to be tailored to the needs of the individual who buys it, and I do not see how kitemarks can assure buyers that the product suits their personal circumstances. If a product carries the kitemark, there is a danger that it may lead some people to believe that they have been given such an assurance.

Benchmarking is the other side of the coin. We want to see some kind of comparison between the products of different providers. The problem is that each provider devises its own brand of product. Sometimes it seems that providers go out of their way to devise a product, and the information that they give out about it, so as to prevent comparisons between their product and someone else's.

One challenge for the new FSA will be to work for more common standards between financial services products, to enable consumers to make informed comparisons. In furtherance of that aim, CAT standards may have a part to play in the debate. If there could be minimum components of a product, which people could be sure about, that might be of some help to consumers. It could go some way towards answering the Consumers Association's call for the new system to be a regulation of products rather than of the processes by which the products are sold.

That brings me neatly to the subject of consumer education. As the hon. Member for Twickenham said, all buyers have some responsibility to take care to ensure that the product that they buy is of some value to them. That responsibility is so well established that it still has its Latin tag—caveat emptor, or let the buyer beware.

However, buying pensions is a serious business, and I am not entirely sure that most of the public, including many hon. Members, have a full understanding of the pensions industry. We shall not be able to say to consumers, "You must take more care to inform yourselves about what pensions are available in the market," unless we also make the sellers of pension policies put their cards on the table and reveal precisely what their products mean.

That comes back to the point that I made earlier about common information and common standards, which would enable comparisons to be made. There is a role here for the Financial Services Authority, and it is more than policing the small print; it is promoting the kind of public debate that will encourage a greater understanding of the products between which people are being asked to choose.

Finally, we come to orphan funds. Companies are paying out billions of pounds in compensation, but where do the costs fall? Do they fall on shareholders or on the contributions made by other policyholders? Overwhelmingly, at present, it is other policyholders who pay.

As my hon. Friend the Member for Edgbaston said, policyholders pay their premiums and expect their money to be invested for their benefit—but they may find that it is going to pay compensation to other policyholders instead. How can that be? Companies have amassed funds bigger than the sum that would be needed to satisfy the reasonable expectations of existing policyholders. Excess funds have built up over the years which are now being used to pay the compensation.

There is no legislative definition of what "reasonable expectations" means. There is no record of any Government intervening to disagree with a company's decision about what those "reasonable expectations" are. However, I concede immediately that every company must have a company actuary to defend the policyholders' fund, and the Government have an actuary who is available to be consulted by the company actuary about the "reasonable expectations". I believe that policyholders deserve their own champion—someone with a higher profile than those actuaries and with tougher powers to intervene.

It is a matter of intergenerational fairness—as the Chancellor of the Exchequer said in last year's Budget statement—that we solve the problem, once and for all. In the case of Prudential, the problem has gone on for 150 years. How many more years will it take before we grasp that nettle?

In summary, the pensions business has been through a decade of disaster. Innocent consumers—in their hundreds of thousands—have been sold pensions that have caused them loss. We are now many years later on, and more of those innocent buyers are still waiting for compensation than have received it. It is a stain on the reputation of the British financial services industry, and I hope that we, the legislators, will face the failings of the past 10 years honestly and fully.

As we prepare for a new pensions settlement and one powerful regulator for all financial services, it is essential that we learn the lessons of this dismal record. Only in this way can we look forward with confidence to a clean and efficient market in financial services for the next decade—nay, the next millennium.

Mr. Quentin Davies: On a point of order, Mr. Deputy Speaker. Twice now, in an otherwise extremely well-informed and excellent debate, an hon. Member, having delivered a speech, has simply walked out of the Chamber without waiting to listen to the successor speech. On one occasion, it so happens that it was a Labour Member—on the other, it was a Liberal Democrat Member. I take the liberty of drawing this to your attention, Mr. Deputy Speaker, because there is a general feeling that it would be a great pity if what is not merely a long-standing courtesy of the House of Commons, but also an essential aspect of the very notion of debate should be eroded without its being at all remarked upon.

Mr. Deputy Speaker: Order. That is not officially a matter for the Chair—it is a convention of the House. However, I have made it known privately that I feel that hon. Members should listen to the following speeches if they have taken part in the debate—particularly when they have been called early. It is bad manners not to do so.

Mr. Kidney: Further to that point of order, Mr. Deputy Speaker. May I make it clear that the hon. Member for Grantham and Stamford (Mr. Davies) is not referring to me? I have not left the Chamber, and I have no plans to do so.

Mr. Deputy Speaker: Order. It is known that that is not so.

The Paymaster General (Mr. Geoffrey Robinson): Further to that point of order, Mr. Deputy Speaker. The hon. Member for Twickenham (Dr. Cable) indicated to me why he would have to leave, so he did extend that courtesy to this side of the House.

Mr. Deputy Speaker: Order. My memory has returned. The hon. Member for Twickenham did mention to me that because of the debate on the pre-Budget statement, he would be going to a television studio. The point made by the hon. Member for Grantham and Stamford (Mr. Davies) is on the record, and it should not be the practice of hon. Members to leave the Chamber after making a speech.

8.13 pm

Mr. John Butterfill (Bournemouth, West): It is very rare—perhaps, unfortunately, all too rare—that I find that I agree with almost every word spoken by Labour Members. The speeches from the hon. Members for Stafford (Mr. Kidney) and for Birmingham, Edgbaston (Ms Stuart) have been quite outstanding and extremely well informed.

I speak as the chairman of the all-party group on occupational pensions, a position I have held for some years. I should declare that, for some years, I was an adviser to the British Insurance and Investment Brokers Association and the Independent Financial Advisers Association. I am also one of the trustees of the parliamentary pension fund. I have taken a long-standing interest in these matters; indeed, I am one of the guilty men who served on the Committee discussing the Financial Services Act 1986.

It is perhaps worth saying that we should take a broad view of the situation as it relates to pensions in the UK. It is true that we now enjoy a much more favourable position than almost any other country in the world in terms of the proportion of money in pensions savings. We now have more pensions savings than those accrued in the rest of the EU.

To a great extent that is due to the policies of the previous Government, who gave great encouragement to the acquisition of personal pensions and to savings in general. Although we are now debating a very serious issue—the mis-selling of personal pensions—it would be wrong to assume that, overall, the actions taken by the previous Government to encourage personal pensions have not contributed tremendously to our national well-being. We should put the problem in that perspective.

There has been a lot of criticism of the Financial Services Act 1986, which has all sorts of deficiencies—some of which I pointed out at the time of its enactment. However, it is also true that we would not be having this debate about mis-selling if the previous Government had not created the offence of mis-selling. It would not exist but for that Act. In most other western countries—and most other countries in the EU—the offence does not exist.

Ms Stuart: That reminds me of Mr. Al Fayed saying that had it not been for his honesty, the whole affair of his trying to bribe a Member of Parliament would not have come to light. It is disingenuous of the hon. Gentleman to say that had it not been for the mis-selling, the previous Government would not have set up that wonderful organisation which made that practice an offence.

Mr. Butterfill: The hon. Lady may have misheard me. I said that there would not be an offence had it not been for the legislation. In many EU countries, there is no such legislation, and what we are debating would not be considered an offence in most other countries. That fact does not excuse what took place, which was disgraceful, and I condemn it unreservedly. For all the faults in the legislation—and there were many—it was well intentioned and went a long way towards controlling a problem which could have been a good deal worse.

I was very much opposed to the multiplicity of regulators listed in the 1986 legislation. I made several speeches on that subject and argued that because there were far too many, that could lead to regulatory arbitrage—as, indeed, it did. The idea that we should have so many different bodies—including the Securities and Investments Board regulatory organisation itself—was a farce because people chose to be regulated by the regulator they thought would give them the easiest time.

That was wrong, and part of the industry is to blame. The large direct sellers said that they were highly respectable and would not need regulation. They would

[Mr. Butterfill]

accept the Investment Management Regulatory Organisation or the Life Assurance and Unit Trust Regulatory Organisation, but they wanted nothing to do with the rag, tag and bobtail that could be shoved into the Financial Intermediaries, Managers and Brokers Association.

It is extraordinary to note that the mis-selling which occurred under FIMBRA—the most underfunded regulator with the least resources and the greatest potential problems—was a great deal less than that conducted by those who were regulated by LAUTRO and IMRO, yet they were supposed to be highly respectable people who did not need regulating. At least that is what they told us when some of us went to see them.

We need to put the matter in perspective. First, I wish to deal with the direct sellers—the very large companies that said that they did not need regulation because they were all so respectable. They were clearly the worst offenders. That is not surprising because, as the hon. Member for Stafford pointed out, they engaged in much high-commission activity. Indeed, many indulged in commission-only sales, so they did not have employees as such, but people who could not eat unless they sold yet another product. People employed in such a way are hungry to sell and do not necessarily act in the best interests of the person to whom they are selling. I have made many speeches to the industry and in the House on that subject and have been a consistent opponent of high-commission and commission-only sales, which inevitably tempt salesmen into abuses. That is exactly what happened.

Labour Members have asked who pays. Their answer was right, as in most cases the policyholder pays—the people who bought the product. I declare an interest as I have two personal pension policies and I will be paying. In the case of the mutuals, no one else but the policyholders will be paying. Fortunately, the mutuals—I am a great admirer and supporter of mutuality—were less active in mis-selling than the proprietary sellers. Nevertheless, the mutuals engaged in it and to that extent their members will suffer as a result.

In the case of the proprietaries, the hon. Member for Edgbaston was right to point out there is a problem with who pays, and whether some people should be paid from orphan funds. My view is that those funds should exist to even out variations in the market. Surely their purpose is to act as a reserve. The market can change rapidly—we have seen tremendous changes recently. In some cases, the policyholder may be looking for a lump sum on maturity to repay a mortgage, but because of a downturn in market conditions there may be insufficient funds to meet his or her expectations. Presumably he was sold the product on the basis that it would generate sufficient funds to repay the mortgage. Therefore, to the extent that the orphan funds exist, surely one of their primary purposes ought to be to contribute towards bonuses in lean times. They could be built up again when times are better. The idea that such funds should be paid out willy-nilly to shareholders has been promoted in some quarters—notably by the Prudential—but should be resisted at all costs.

Ms Stuart: The problem with orphan funds is not merely excess profits but policies that have not been cashed in and have accumulated. In the Prudential's case we are talking about £5 billion to £7 billion, which is a significant sum. The question is, should one generation benefit from what has been accumulated over several generations? Clearly, the funds are not being used to even things out at the moment. They are being used as a nest egg for when times are bad. When times are good they do not pay out.

Mr. Butterfill: I entirely agree. That was the point that I was trying to make. The funds should be used to smooth things out and to meet the reasonable expectations of policyholders. That is what the actuary is supposed to ensure, but there seems to be a risk that that is not what the Prudential intends to do.

Mr. Greenway: Surely the point is that the so-called orphan funds exist in the large insurance companies. Those are the funds that will be used to pay the compensation and that is what is happening. Whether they should be deployed in that way or more fairly, the fact is that the companies have huge resources with which to pay. The central point as regards the current controversy is that the independent financial advisory sector has no such resource. It has professional indemnity insurance, the market for which is about to collapse.

Mr. Butterfill: My hon. Friend is, as ever, extremely well informed on these matters and I agree about the difference between the proprietary funds and IFAs. He is right to be concerned about the use of orphan funds for that purpose. If the directors of such companies condoned significant mis-selling for the benefit of their shareholders, those shareholders should suffer and may then exact their retribution from those who acted in that way. That is the proper and reasonable way to deal with the problem, rather than by raiding funds that have built up for generations.

I am concerned that the problem has been made worse by some of the Government's actions. The advance corporation tax changes were an enormous raid on the pension funds. Various estimates have been made of the cost of pensions mis-selling. The Association of British Insurers estimates that it is between £8 billion and £11 billion. Even if we take the upper range, that sum would be equalled in two years by the £5 billion a year raid that the Government have made on pension funds. Let us get the picture in perspective. The biggest raiders of pension funds are on the Labour Benches. It has been suggested that the Chancellor may tax lump sums, not to mention higher rate relief. If he did so, people who rely on products to pay their mortgages would be in even greater difficulties than some of them are already.

I am astonished at the crocodile tears shed by those on the Treasury Bench. The Government are abandoning the proposal of the former Minister of State at the Department of Social Security, the right hon. Member for Birkenhead (Mr. Field), for second-tier pensions and taking steps to attack the entire industry for short-term profit for the Chancellor, yet they express such great concern about pensions mis-selling. They are right to express concern, but let us put their actions in context.

The Economic Secretary made an astonishing attack on IFAs which was not justified. That is not to say that some IFAs have not misbehaved. Of course, some of them mis-sold pensions and I hope that those who did so

deliberately and blatantly and who were wholly motivated by greed will not be able to practise as IFAs again. However, there are some greyer areas. Perhaps, those advisers may not have undertaken the full fact find, or they may have missed something that they ought to have noticed when giving best advice. If it was an innocent or careless mistake, the penalties should not be as great. Those who deliberately sold to people who had no means of knowing that the advice that they were being given was wrong and who encouraged people to leave occupational schemes knowing that that would be grotesquely to their disadvantage should never practise as independent financial advisers again.

We must consider the record of independent financial advisers. The initial report by KPMG clearly showed that IFAs engaged in less mis-selling than direct sellers—the product providers. I did not find that altogether surprising, as they were professionals and were bound to make comparisons between one product and another, however inadequate those comparisons might have been.

If we look at the results of phase 1, we find that 86 per cent. of the mis-selling was by the direct sellers—the product providers—and only 14 per cent. of the mis-selling is attributable to IFAs, despite the fact that IFAs sold 42 per cent. of the products concerned. The incidence of mis-selling by IFAs is a tiny fraction of the incidence of mis-selling by product providers. For the hon. Lady to portray IFAs as the villains of the piece was to distort the truth a little too much.

Ms Hewitt: Does the hon. Gentleman accept, and will he make it clear for the record, that my remarks referred primarily to the campaign being run by the IFA Association, and were not, as I made clear to the House, directed at every IFA?

Mr. Butterfill: I am grateful to the Economic Secretary for that clarification, although it does not take us much further. In my experience—she will know that I have been involved in the industry for some years—the IFA Association has probably done more to raise standards among IFAs than almost any other body that one can imagine. Of course the IFAA is a trade association and will seek to defend its members. It would not be doing its duty by its members unless it did so.

Let us examine some of the hon. Lady's accusations. First, as my hon. Friend the Member for Ryedale (Mr. Greenway) said, IFAs do not have the cash that is instantly available to the direct sellers. Secondly, the hon. Lady said that the IFAs went to court against the regulators, as though that was some appalling act. They went to court to establish whether it should be possible for the regulator to require them to go back to people who had not complained and ask to investigate the possibility that they had mis-sold a product.

That would be in direct contravention of the terms under which the IFAs were insured for professional indemnity. The hon. Lady knows that it was the professional indemnity insurers who were telling the IFAs that they would be in breach of contract if they behaved in that way. The only way for the IFAs to resolve that through the IFA Association was to seek a court ruling, otherwise they would be caught between a rock and a hard place.

The IFAs did not go to court to avoid co-operating in the review or to delay the process. They went to court to clarify their legal position because they had been put in an impossible situation by the demands of the regulator. That does not seem an unreasonable way to behave. They need to clarify the matter, as the underwriters of their professional indemnity cover are saying, "We are in an impossible position. We will be asked to pay out on terms that are clearly in breach of the contract between you, the IFA, and us, the underwriters."

The underwriters are either refusing to give cover, which means that some IFAs cannot legally operate because they cannot get PI cover, or the underwriters are quoting such huge premiums that it is impossible for the IFA to operate. That is continuing problem which must be addressed by the hon. Lady and the regulator, in consultation with the IFAs, if IFAs are to continue to operate in the market. Clearly, as the IFAs were the least guilty of mis-selling, it is in the overwhelming interest of the public that independent advice should be available. I appeal to the hon. Lady to deal with this issue, which is vital for the industry.

The second problem, which I shall not labour as previous speakers have outlined it, is the basis of compensation. It has always been maintained in our courts that if someone has suffered damage, the measure of damages is his actual loss, as far as it can be quantified, and it is the loss at the time that the loss occurred, not the notional loss some years later.

Mr. Kidney *rose—*

Mr. Butterfill: I give way to the learned gentleman.

Mr. Kidney: Indeed, I was a lawyer before I came to this place, so may I tell the hon. Gentleman that the assessment of loss in a civil case is carried out at the time of the hearing, not at the time that the wrong was committed, which might have been many years earlier? That makes sense; otherwise courts would be in the absurd position of awarding sums of money that were completely wrong—far too large or far too small.

Mr. Butterfill: The hon. Gentleman is partly right. The assessment of loss takes place at the time of the hearing, but the object is to put the plaintiff back in the position that he would have been in if the wrong had not been done. That is not what is being proposed. The present proposal is that there should be the benefit of hindsight and that the loss should be assessed regardless of the fact that the economic circumstances have changed—in particular, the yield on annuities has changed dramatically.

The calculation of loss is a moving target, which changes enormously depending on the date chosen to assess the loss. As I mentioned earlier, in one case the policyholder would have been £2,500 better off in 1995, but because of the changes in the annuity market since then, he is now facing a £38,000 notional loss. If he gets that money, he will be substantially better off than he would have been if he had never bought the policy. Indeed, he was better off buying the policy in the first place.

I am not sure that we should enrich people by giving them the benefit of the hindsight that we would all like to have. We would all like to own something that we could have bought, had we had the necessary information five years ago. That is surely not what the Government intend as the basis for compensation.

[Mr. Butterfill]

Several leading actuaries have examined the issue and concluded that if we proceed as the Government and the regulator propose, a large number of people will be significantly better off than they could have been if they had not taken out a particular pensions policy. As the funds of the other policyholders will generally cover the cost of compensation, we would be rewarding one group of policyholders at the expense of another, with no real justification for doing so.

The Economic Secretary referred to the PASS initiative, which was welcome. It has assisted many IFAs to deal with the problem, but I understand that that is confined to phase 1. Phase 2 is a more difficult problem because the numbers involved are much greater. That means that the cost of carrying out all the investigations in phase 2 will be much greater, although the likelihood of mis-selling is proportionately much smaller, because the people to whom the products were sold were a great deal younger. The maximum cost will be passed on to IFAs for a much lower benefit to those who may have been mis-sold a pensions policy.

I intend to press the Economic Secretary on the issue of mis-selling. A significant group of IFAs have got through phase 1 and it has been shown that they were not involved in any cases of mis-selling in phase 1.

Mr. Greenway: Or very few.

Mr. Butterfill: As my hon. Friend the Member for Ryedale says from a sedentary position, other IFAs were involved in a few cases of mis-selling. I am particularly concerned about those companies against whom there are no complaints of mis-selling. They will be required to sift through their entire portfolio of sales for the past 10 years at enormous cost—£600,000, on average. That is a colossal sum for some small firms. One IFA told me that it would take his whole staff three years to complete the process. He said that they would not be able to do any other work and that the company would go bust but for the fact that he was prepared to support it financially through the process. This exercise will drive an enormous number of IFAs out of business when there is little likelihood of mis-selling having been proven.

It would surely be correct in phase 2 to say that, if there are no complaints about potential mis-selling and if there has clearly been no mis-selling in phase 1, the test should be different. Will the Minister agree to the proposition that the Government should reimburse IFAs for the cost of the process if no evidence of mis-selling is found? That is another possibility: the Government could compensate IFAs for having impugned their professional integrity. I doubt that that proposition will be attractive to the hon. Lady, but it is one that I postulate.

I am very worried about the Government's attitude to this issue. They have demonstrated an extremely aggressive attitude towards IFAs, who have been the least guilty parties in this process by a considerable margin—86 per cent. compared with 14 per cent. That aggressive attitude leads one to believe—and my suspicions are reinforced by personal conversations that I have had with Treasury officials—that the Government do not care about the IFA market. They think that IFAs are a bit of a nuisance and would sooner that the public dealt with direct sellers—we know that some of them are cronies of the Prime Minister—particularly if they happened to be selling kite, CAT or some other product.

I am concerned that the Government are exhibiting a cavalier attitude towards IFAs. I am equally concerned about the principle of kitemarking, which could lead to more mis-selling. I am particularly worried also about the possible abandonment of polarisation. I have long held the view—I argued to this effect in 1986 when we were considering whether there should be hybrids in terms of sales—that the public must know the status of the person selling the pensions. People must know if they are talking to a tied salesperson who can put his hand on his heart and say, "I am telling you what I am telling you, but I am the paid sales representative of company X". In those circumstances, people would know exactly where they were and how much weight to put upon his or her advice.

When people deal with IFAs, they know that IFAs should—if they are doing their job properly—look at the whole range of the market, identify the product that is best for the individual and make an informed expert choice on the customer's behalf. If we have a hybrid situation, whereby people sell the products of five or six companies, sellers are neither IFAs nor single tied agents. Let us look at the situation where hybrids exist. In Australia, for example, the results have been disastrous. A small group of hybrid sales organisations now dominate that market. They are very large, they have forced everyone else out and there is no expert information available to consumers. That toleration of hybrid sales is one of the reasons why there has been more mis-selling of pension products in Australia than anywhere else.

8.44 pm

Mrs. Jacqui Lait (Beckenham): There has been remarkable consensus and great expertise displayed in the debate so far. I plan to continue the former, but I doubt that I can add to the latter. There is not a great deal left to say about this subject, and I sympathise with the hon. Member for Twickenham (Dr. Cable) who commented much earlier in the debate that all the issues had been covered.

However, in talking about the problems that have arisen as a result of the changes introduced by the Conservative Government, it is important to dwell briefly on the impetus for that change. I was one of those who pushed very hard to open the whole pensions issue. Pension transfer values were diabolical: if one's career was not entirely in one company, one was ripped off completely when it came to pensions transfers. We needed to open up the market so that people could provide for themselves. In fact, more and more people were becoming financially astute and wished to provide for themselves.

I think that the impetus for change in the pensions area has benefited this country—as is recognised by the £600 billion under management, which, as has been pointed out, is the largest sum by a long chalk in the whole European Union. It will cushion us against potential problems that could arise as a result of the greying of the population—which was another impetus for changing the whole pensions regime.

As so much money has gone into the pensions industry in the form of savings, I must take issue with the hon. Member for Stafford (Mr. Kidney), who described the past 10 years as a "decade of disaster". Eleven billion

pounds is a huge sum, but I think that we should put the matter in perspective and compare it with the £600 billion that is under management.

Angela Knight, the Economic Secretary to the Treasury under the previous Government, was a very valuable member of the House and she did much to encourage financial companies to focus on and address the pensions mis-selling issue. I am concerned that, when Labour came to government, it raised the temperature by criticising the very companies that it is looking to to provide second pensions and ISA products. That sort of aggressive relationship with the private financial sector does not help when the Government are clearly relying on it to supply new products.

As many hon. Members have said, it is recognised that there are problems in the pensions area. I shall not repeat them all, other than to say that that problem is recognised in the biggest and the smallest companies. An insurance broker in Beckenham, who briefed me about the problem as it relates to his company, acknowledged in a letter to me that files

"must be reviewed and where losses have occurred as a result of advice given not to join occupational pension schemes then redress should be available. Likewise where members have been opted out of their employer scheme and losses occurred as a result redress should be given."

There is agreement throughout the industry that the matter must be dealt with, and I am pleased that phase 1 will be completed, in essence, by the end of the year.

As many hon. Members have said, the bone of contention lies with phase 2. I am struck by the role that hindsight has played in this debate. It is clear, with hindsight, that there should have been a much tighter regulatory regime and that we should have examined the financing arrangements much more closely. Hindsight is a wonderful thing, but the problem is that we are dealing with the real world, real people and the real circumstances that prevailed when they bought their pensions.

The Economic Secretary, if I understood her correctly, said that the regulatory regime under the Financial Services Act 1986 was not what it should have been, which is precisely the point that many of us are making. We cannot expect people such as independent financial advisers, who, while funded to carry on their business, do not have access to the huge reserves that the large companies have, to be able to guess what hindsight would tell them about the regulatory regime that they needed to act under when they were selling their policies. I was interested in a simple statement that the Independent Financial Advisers Association made before the Treasury Select Committee when it gave evidence on 25 June. It said:

"The review is fast becoming a process to ensure no one loses money, in any circumstances, rather than a review of mis-selling."

When the Economic Secretary called in aid the Association of British Insurers rather than the IFA Association, it was interesting to note that the ABI, in much more restrained language, made exactly the same point in its briefing to Members for this debate. The association states that phase 2 will be completed when

"various factors such as the complexity of loss assessment, its interaction with the availability of actuarial resources and the degree of accuracy required"

are understood. If the ABI is making that point, the IFA Association, which is making the same point in a much more clear and direct way, deserves some sympathy.

Beckenham is not known as a hive of commercial or industrial activity. However, I have quoted one insurance broker and I have been impressed by the number of IFAs who have come to me with great feeling about the issue that we are debating. I shall outline one company's problem. Its senior partner is its greatest earnings getter. The company specialises in employee and executive benefits. The partner has a client list of blue chip companies, many of which are in the new industries whose age profile is of necessity young. He has done no business getting for the past two years because he has been engaged entirely on the review. In addition, the company has had to hire outside consultants to a current cost of £80,000.

When phase 2 comes through and if the current annuity rates apply to the pensions that the senior partner's company has sold to younger people, the cost could be £1 million, and that equals bankruptcy. It is an IFA with no complaints against it.

It cannot make economic sense for a senior partner not to be getting any business. That is why I add my plea to those made by all those who have asked the Economic Secretary and the Treasury to look again at the regime for phase 2. No one is asking for it to be withdrawn. We accept that there is mis-selling, and if there is mis-selling, compensation is due. However, we need to ensure that those IFAs which have done a good job and which complied in their understanding of what the regulations were at the time should be able to continue in business.

In the spirit of slight mischievousness I throw in the thought that if current annuity rates can be used for reviews calculated now, and given that there will be delays, will the rates return to the level at which they stood at the time when pensions were sold, bearing in mind the announcements made today by the Chancellor of the Exchequer of increased public spending? Therefore, is it not in the interests of everybody to examine whether the regime for phase 2 is the best and most effective way in which to deal with pensions mis-selling?

8.55 pm

Mr. John Greenway (Ryedale): I again remind the House of my many interests in these matters. I shall painstakingly go through them because there is a point to be made on each one. I have worked in the insurance industry since 1970. I am still an elected member of the Insurance Brokers Registration Council. The council has had to give up its status as an authorised body under the Financial Services Act 1986. For reasons which the Minister knows, the council's future is in dispute. One of the factors in having to give up its status was the complexity of the work involved in carrying out the phase 2 review and the resources required if it was to be done properly. That is a telling point for the House to consider. If one of the authorised bodies feels that the cost of carrying out the review is so great that it has to hand the job over to the Financial Services Authority, no wonder small independent financial advisers feel constrained by the potential cost.

I am a director of a major insurance broker and independent financial adviser, which purchased the company which I started in 1973. It did so three or four years ago. Sadly, I owned very little of it by then. Its headquarters are in Harrogate, the constituency of the hon. Member for Harrogate and Knaresborough (Mr. Willis).

[Mr. John Greenway]

I think that it would be helpful to share with the House what has happened to us. We were fined £4,000 along with most other IFAs because of the delay on phase 1. We gave all our phase 1 cases—all 39—to an out-sourcing actuarial service, which proceeded to do nothing with them because all its efforts involved sorting out the insurers. We brought them back in-house and we have put them all right. We expect to be in order by the end of this year. We think that there are possibly eight or nine cases to compensate.

We think that we have about 150 transfer cases in phase 2, the majority of which are compliant. Until we examine them all in detail, we cannot be sure. We have 7,000 IFA clients, 2,700 personal pension policy holders and only two cases where there was an opt-out to buy a personal pension. I cannot say how typical we are but I suspect that we are typical of most of the really professional IFA firms. The sadness is that in some elements of the IFA sector—as in the employed sector, to which the hon. Member for Hemsworth (Mr. Trickett) referred—a great deal was left to be desired on standards of training, competence and the quality of advice.

The industry has put much of that behind it. To be authorised now, one must be professionally qualified, and the industry can be proud of that. Those who are left, particularly in the IFA sector, to clear up what needs to be done have put themselves through the professional mill. They have achieved their financial planning certificate. A great many have gone further and achieved the advanced FPC and are members of the Society of Financial Advisers. We are dealing now with an independent financial advisory industry that is considerably more professional and committed than the whole industry was when much of the mis-selling that we are discussing took place.

In an earlier intervention, I declared my interest as a chairman of the Federation of Insurance and Investment Intermediary Associations, of which the IFAA is a member. That is an unpaid post, but I am a paid adviser to the Institute of Insurance Brokers, for which mis-selling is not a huge problem. As the Economic Secretary knows, we have much greater concerns about dealing with the future of the Insurance Brokers Registration Council, and I hope to talk to her soon about that.

I want to correct two points that the Economic Secretary made earlier. If there has been misapprehension on her part or misunderstanding of what the IFAA has been trying to do, this is the opportunity to put that right. We are not saying that there is not a problem to resolve in phase 2—clearly there is a problem. We are asking the hon. Lady to recognise that the problem in phase 2 is fundamentally different from that in phase 1.

Phase 1 will be completed by Christmas with, perhaps, a few exceptions in the IFA networks. I ask the hon. Lady to be kind and understanding to them. I do not belong to an IFA network and I have no brief for them, but I know that they have spent a great deal of money on phase 1.

The problem is that the on-going cost of regulation and remaining in business means that many smaller IFAs have joined networks to stay in business. The chief executive of the Personal Investment Authority, Colette Bowe, encouraged many to do so. Much of the mis-selling that the networks are now dealing with occurred before the firms were part of the networks, which is why there has been a delay. I hope that there will not be more unnecessary fines because they simply deplete already hard-pressed resources.

I want to suggest to the Economic Secretary a way in which the problem of phase 2 can be resolved. Time does not allow me to go into detail. Many speakers have put their finger on the problem, but they have not suggested a solution. The solution lies in the way in which the financial viability test can be conducted.

The test allows the IFA to examine files to find out whether the advice given at the time was correct and reasonable. That involves examining the quotation—the basis of the projections on which it was made is a key factor—to find out whether it was based on reasonable assumptions of growth. Most quotes were based on assumptions of growth within the range of 8 to 12 per cent. At the time, the market was achieving 25 per cent. growth as a norm. Of course, that has changed. If the assumptions were reasonable compared with the information from the scheme where there had been a proposed transfer, that should be adequate for the purposes of the phase 2 review.

Mr. Butterfill: My hon. Friend makes a point about the information from the scheme. I am sure that he will agree that many scheme trustees and actuaries gave misleading information because they saw an opportunity to get rid of some of their liabilities and gave an assessment of the value that was lower than reality.

Mr. Greenway: That is true. There is a problem in some cases because schemes merely sent a cheque, so there is no other information, and there is disparity between what it cost to transfer out of the scheme and what it cost subsequently to transfer back in. That is all old territory and we accept that.

I suggest to the Economic Secretary that the problem lies in the insistence by the Financial Services Authority and the PIA that if—

Mr. Willis: Will the hon. Gentleman give way?

Mr. Greenway: In a moment. I want to make an important point. The regulator is saying that if the financial viability test reveals that the advice was reasonable, the policyholder should still be sent a questionnaire asking him to recall exactly what was discussed at the time. We understand why: in those days, the standard of record-keeping was not so high and we did not have the detailed files that we have now. PI insurers have taken great exception to the questionnaire because they see it as an admission of guilt—a confession that there might be something wrong. Of course, that wholly undermines the legal basis on which the PI insurance was underwritten and generally predicated.

In many cases, it will be clear from a simple look at the financial viability test that the advice given was bad and that compensation is due. However, it will speed the phase 2 process considerably if we have the financial viability test without the questionnaire, or perhaps with a questionnaire that is phrased rather more sensibly than the one now proposed.

I ask the Economic Secretary to consider two other crucial points. First, in suggesting that the arrangements for phase 2 should be marginally different from those for phase 1, we are not saying that phase 1 was wrong. It is not our intention to criticise the way in which phase 1 was conducted. My hon. Friend the Member for Bournemouth, West (Mr. Butterfill) and I have had this argument many times. I have always taken the view that under phase 1, the majority of cases were clearly going to require compensation. As I have said in the House before, I am appalled that so many insurance companies accepted much of the business in question. They must have known that it was wrong for them to do so.

Phase 2 is quite different. Many of the problem cases are transfers. The House passed the primary legislation that provided the opportunity to transfer, so Parliament must have thought that it was a worthwhile exercise. In effect, however, to judge by the way in which it seems that phase 2 is likely to be conducted, it is almost inevitable that almost all the transfers will be non-compliant. That cannot be right. We are not in denial; we are simply asking whether things can be done fairly and sensibly.

The second point involves the serious problem of professional indemnity insurance. No one has yet mentioned the Rothschild Assurance plc *v.* Collyear judgment, which was passed on 29 September. I am not surprised that no one has referred to it because these are very technical matters. That judgment effectively says that it is in order for an IFA to give a blanket declaration to his PI insurer. Until that judgment, PI insurers were refusing to accept blanket declarations. The consequences of what has now happened are extremely dire.

Our business faced a threefold increase in its premium. We managed to make our own blanket declaration before the end of October and negotiated a better arrangement elsewhere, but only with a £25,000 excess on each and every claim. That is now commonplace in the market. If we are not careful, we shall find that IFAs, whether or not they survive the phase 2 review, will be driven out of business because they cannot afford the PI cover. The cover that they have is not adequate, and it may well prove unacceptable to the regulator because the excess is too great in relation to the total volume of business.

We have to restore some stability to a collapsing professional indemnity insurance market. That is why resolving the problem of the questionnaire in respect of the financial viability test is utterly crucial. The PI insurers have taken grave exception to the questionnaire, but I hope that in the few weeks that we have left before the phase 2 process starts—we are not asking for it to be delayed—we can find an acceptable solution. My hon. Friend the Member for Beckenham (Mrs. Lait) said that the Association of British Insurers is still not satisfied with the detailed arrangements, a point which it made to the all-party insurance and financial services group only two weeks ago, at our previous meeting.

I plead with the Economic Secretary to sit down and discuss this. She may not realise what her diary secretary has done today, but it has been agreed that the Independent Financial Advisers Association will see her on 19 November. We must find a solution which the ABI, IFAs, PI insurers, her Department and the regulator can live with. I believe passionately, and agree wholeheartedly with those who feel strongly about this, that we must resolve the matter as quickly as we reasonably can, but that means that the arrangements must be practical, sensible and workable. They could be, but, at the moment, they are not.

9.9 pm

Mr. Laurence Robertson (Tewkesbury): I wanted to take part in the debate because I believe that a major injustice is being inflicted, especially on independent financial advisers, on some insurance companies and possibly on a great many policyholders.

Like many hon. Members who have spoken, I make it clear from the outset that people who were genuinely mis-sold pensions need compensation, and we must all support any moves towards that. To provide adequate and fair compensation, without destroying many independent financial advisers and without penalising other policyholders, the review must be fair. I believe that it is not.

I shall outline some ways in which the review is unfair, both in its concept and its application. There is an automatic assumption that pensions were mis-sold; indeed the title of the debate is "Personal pensions mis-selling". The letter that companies are forced to send to their clients is headed "Your Pension: Were you badly advised?". Mis-selling is presumed to have taken place, before the company has even had a chance to get a response from its clients. It is assumed to be guilty in every case, without those cases having been proven.

Consideration of how the process starts perhaps explains what I am getting at. The client does not approach the company with a complaint, as is the case in every other walk of life. The company, as we have heard, has to write to all its clients, in a prejudicial way, inviting them to request a review of a policy which they may have been totally happy with.

That process not only undermines companies and the industry, which is not in the best interests of the public, but is grossly unfair and against the spirit of natural justice. Companies are required to badger their clients into requesting reviews, even though many of them have shown, and will show when contacted, that they have no interest at all in such reviews.

Once a request for a review has been received, the review begins and firms are, in the words of the Economic Secretary's letter to hon. Members dated 14 October, required to put matters right if they have broken rules in force at the time of giving advice, and if the investors concerned have suffered financial loss. In my view, however, the rules which prevailed at the time the advice was given were not rules at all—they were guidelines.

People in large companies were employed to sell pension plans, although, as I said in an intervention, that is not strictly true because they were self-employed and existed on that basis with the blessing of the regulator and the Inland Revenue. They were not taken on as advisers, nor as consultants; they were salesmen who often worked on a commission-only basis, and were rewarded when they made sales and fired when they did not. There are differences between the way in which people were allowed to operate at that time and the stricter conditions that they now have to work under.

The practice of best advice was introduced in 1986, but if the regulator had been serious about ensuring that best advice was given he should have introduced a

[Mr. Laurence Robertson]

professional qualification for financial services at that time. I understand that such a qualification exists now, but it was barely a requirement for the selling of insurance products during the period covered by the review—1988–94.

It is therefore questionable whether the rules referred to in the Minister's letter were broken. It is my submission that, 10 years on, it is virtually impossible to assess exactly what advice was given, and even more difficult to judge that advice against the background and the economic conditions that prevailed at that time.

A judgment on whether a pension was rightly or wrongly sold should be made against growth rates at that time and not against current rates. A personal pension plan sold in 1988 may have appeared to all concerned far more attractive an investment than it does now, especially given the raid that the Labour Government have made on ACT credits.

The advice given during the period in question was somehow supposed to take into account factors that could not have been known at the time. The decisions taken at the time must be put in context. It is not right to penalise someone for giving the best advice at that time, even if it did not turn out to be correct. It is a long-standing principle of British justice and democracy that legislation should not be retrospective. It is not fair to judge the sales of pensions in the 1980s against the standards and penalties that apply in the 1990s.

Even if it were possible to look back 10 years accurately, a financial comparison cannot be made. The review must compare the actual and stated provision offered by an occupational pension scheme with the likely benefits of a personal pension plan. However, that is not a comparison of like with like. Growth rates have fallen from their 1988 level; personal pension plans may compare less favourably with occupational schemes at today's level. But what if growth rates increase over the remaining life of the pension plan? How would the two then compare? It is impossible to say, so it is impossible to satisfy the second requirement in the Minister's letter—that a financial loss must have been suffered by the investor before compensation is payable.

The only time such a judgment can be made is when the person retires and draws on that pension. A comparison made in any other way is pure guesswork, and is unfair to the firm and possibly to the policyholders. It is like accusing someone of murder when the victim has not yet died.

That is especially so during the second phase of the pension review, which considers the cases of younger people. Younger people may have 30 years to go before they claim their pension. How on earth can an estimate be made of what their pension will be worth in 30 years' time? What about the effects of inflation? Younger people will not stay in one job—as people did years ago—and that will have an impact on the value of an occupational pension. Personal pension plans are flexible in that they are linked to the person, not the job. Occupational schemes, for all their merits, are not.

Are charges for a transfer from one occupational scheme to another to be taken into account when assessing the relative values? Are they judged separately for every person for whom the review is being carried out? Precisely how has that been carried out? How do the regulators know to which company individuals are likely to transfer, or for how long they will stay in their present job, to which the occupational pension is linked?

A further consideration when making a comparison between occupational and personal pensions is the viability and sustainability of occupational schemes. Some schemes, which could be called in-out schemes, have recently come under pressure, and their continued funding puts pressure on the resources of the services provided by the organisations that run them. The teachers' pension scheme and the police pension scheme are two such examples. Are those carrying out the review able to judge the financial and non-financial aspects of the respective schemes? I suggest that that is impossible.

What about the other benefits that a private pension plan offers which are not merely financial? Such benefits include the flexibility that such a plan offers, allowing policyholders to draw their pension at any time between the ages of 50 and 75. How many occupational pension schemes offer that degree of flexibility?

Provision for early retirement is now threatened in a number of these in-out schemes. Is allowance made for that when calculating the respective worth of occupational schemes and private pension plans?

What about the death-in-service benefit comparisons? People dying in their 20s would undoubtedly have more money credited to their estates from occupational schemes than people in private schemes; but people dying in their 50s could have accumulated far more capital in private schemes than they would have in occupational schemes. How have the regulators assessed that factor?

Not only is it difficult to assess whether the rules have been broken, and whether a policy holder has suffered a financial loss; it is difficult to assess who should pay compensation for any mis-selling that may have occurred. We have heard various views on who should pay, but all the larger companies will do is pass on any compensation payments that they make, or any fines that they pay, to the with-profits policy holders. Companies' ability to do that is unfair on the small independent advisers whom the industry itself advises people to consult in preference to single companies. Independent advisers have no one to whom they can pass on costs; in such circumstances, they will simply go out of business.

I ask the Government to look at the way in which the second phase of the review, in particular, is being conducted. All that I have said so far relates to the past, but I would add that the financial services industry is extremely important to the country. If people lose faith in it, that will be to their great detriment. I urge the Government to ensure that such a thing does not happen again, by stating that a recognised professional qualification must be obtained before anyone is allowed to become involved in the industry. Let me stress the need to protect the innocent companies that have worked so hard for so many years, so that they do not have to go out of business owing to a heavy-handed approach to regulation.

9.21 pm

Mr. Phil Willis (Harrogate and Knaresborough): One of the joys of speaking last in a debate through which one has had to sit is benefiting from the experience of other speakers. Tonight's debate has demonstrated one of the

great joys of being in the House of Commons. It was a delight to hear the speeches of the hon. Member for Birmingham, Edgbaston (Ms Stuart), the right hon. Member for South Norfolk (Mr. MacGregor), the hon. Member for Bournemouth, West (Mr. Butterfill) and, indeed, my neighbour the hon. Member for Ryedale (Mr. Greenway). I must add that I have no interest to declare, apart from the interests of a constituency which, according to my hon. Friend the Member for Twickenham (Dr. Cable), boasts more independent financial advisers than any other constituency in Britain. I was glad to learn that it also contains the former company of the hon. Member for Ryedale.

I listened to the debate with interest. Given the exercise in misinformation and sophistry that we have witnessed, the Government and their regulators should be congratulated on the spectacular success of their handling of the so-called pensions mis-selling review. For too long the pensions mis-selling scandal has been a convenient vehicle for the nurturing of populist tendencies and the furthering of political and regulatory ambitions, and has provided an easy target for the filling of sensational news space. The prevailing attitude has been, "Never mind the justice, just feel the self-righteousness"; there has certainly been a sense of that this evening.

The purpose of regulation is simple: to protect the investor from the excesses of those who might seek to misguide him for personal gain. Yet, under the phase 2 procedures, the regulator has designed a process that will ensure that clients will always have a case for compensation, and the financial adviser will always be in the wrong. That approach is closer to tyranny than to regulation.

Many of my constituents are employed as independent financial advisers or work for them, either running their own firms or as part of larger organisations, and that must apply to nearly every Member of Parliament. Along with many others, I suspect, I have received few complaints about the services that those advisers provide: in fact, I have not received one complaint since my election. Yet they provide as many as 15,000 jobs throughout the country and most of them, or many of them, are at risk if phase 2 is allowed to progress in its present form.

It does the Economic Secretary to the Treasury no credit that her letter to Members of Parliament was so dismissive of what was a serious attempt by the IFAA to bring this subject into wider debate. If an association is not allowed to lobby Members of Parliament in the way it did, it is a sad state of affairs, although I admit that today's debate is welcome and my constituents pass on their thanks to the Economic Secretary for holding it.

Let me assure the House that I and the people whom I represent are committed to the view that clients of independent financial advisers who have been negligently or poorly advised should receive proper compensation; that is not in doubt. There can be no argument about it. Independent financial advisers should and must be held to account, just like large companies.

However, the process and methodology by which phase 2 is to be carried out goes far beyond what is required to provide an equitable solution to the problems. There is a danger that, in the natural desire to compensate those who were mis-sold pensions, enthusiasm is being carried to the point of trying to ensure that no one can ever lose any money. It is much like going to the races and the bookies being obliged to give people a return even if their horse falls at the first fence.

Yes, there was mis-selling and scandal in many of those cases that fell within phase 1 of the review: those who were close to retirement, have now retired or have even died. Rightly, those people and their families must receive proper recompense; but with phase 2, another scandal is upon us: the decimation of the independent financial adviser sector, more through the inequity and artificiality of the phase 2 review process that has been set down by the regulator and supported by the Government than by any malpractice by independent financial advisers.

The majority of phase 2 cases are in respect of people who are under 35 and therefore have many years to go before retirement. To view those cases in the same light as those under phase 1 simply cannot be justified.

The regulator affirms that individual cases will be judged in terms of the rules in force at the time the advice was given. If those rules were broken, the case must be reviewed to find out whether the client has suffered financial loss as a result of acting on the independent financial adviser's advice. That is reasonable, but pension transfers were transacted from July 1988 and no specific guidance as to the regulator's requirements for the handling of that type of business was issued until early 1994, after the Securities and Investments Board identified possible cases of misadvice following the KPMG investigation.

I heard what the Economic Secretary said earlier: she dismissed those allegations. I would like her to put a paper in the Library demonstrating when the regulations were brought in, so that we can have a clear, definitive statement on that.

The regulator's response to KPMG's investigation was to impose stringent standards, drafted with the exact knowledge of hindsight and with retrospective effect, in the pretence that those standards had existed from the outset. They had not. It is important to realise that the Financial Services Act 1986 came into effect only in 1988. As we know, it was an unfortunate coincidence that the Act was in its infancy at the very time when the pension transfer business first started to be transacted.

There was an acceptance that all parties would require time for a "learning curve" to adopt procedures, to develop systems and to familiarise those who gave financial advice to clients with the practices required to comply with the new legislation. That, too, was right; it happens in any industry.

That explains why, from 1988 to 1994, regulators did not find significant rule-breaking in the sectors that are now being pursued with such crusading zeal. That regulatory zeal, fortified with the certainty of hindsight, will render nearly all the cases that fall within phase 2 in breach of the rules of the time, as now defined by the regulator.

The injustice does not end there. Having failed the now virtually impossible rule breach test, a case must be reviewed to identify whether there has been mis-selling and to quantify the amount of compensation due to the client. For the purpose of assessing whether the individual has suffered any financial loss, the regulator states that the advice can be measured by comparing the estimated benefits of retirement that the occupational pension scheme would provide with the estimated benefits from

[Mr. Phil Willis]

the alternative personal pension. Both calculations should be made using projections of future growth and expectations of annuity rates such as could be reasonably deduced from the investment conditions when the advice was given. As the hon. Member for Ryedale said, that is the so-called financial viability test.

Again, that is an extremely reasonable approach—except that the regulator then imposes on the process the requirement that the client complete a questionnaire that requires the exact recall of specific events in the advice process that happened as long ago as 10 years. Most people cannot remember where they went on holiday 10 years or even five years ago, let alone recall the specific detail of the hotel bedroom or the lunchtime menu. How realistic is it to expect them to have a precise recall of every detail of the complicated process involved in reaching a decision as to whether to transfer a pension from an employer's scheme to a private pension?

In the regulator's view, failure by the individual to give a positive response to each of the questions on the questionnaire is just about conclusive proof that the individual has been misadvised. Surely that is nonsense. If the only thing that comes out of the debate today is that the Economic Secretary drops the questionnaire from phase 2, we will have had a very successful debate.

I am sure that most people are perfectly honest and would answer truthfully to the best of their ability—particularly Liberal Democrats. However, because of all the publicity surrounding this issue, an expectation of compensation has been built up which even the most honest of citizens might find hard to resist.

The regulator then requires a different calculation method to be used to assess whether the individual is due compensation. That method ignores the reasonable assumptions made when the advice was given, based on the investment conditions of the time, in favour of assumptions based on current market conditions. That is a grossly inequitable approach and can have no result other than to ensure that the majority of cases that come within phase 2 are artificially deemed to be due compensation. That offends against natural justice.

It is a fact that investment market conditions are ever changing and that future growth of the funds and annuity rates will reflect market movements, up as well as down. Recently, we have seen a significant downturn in investment markets and a steep decline in bond yields which has reduced current annuity rates to the lowest in living memory.

On the "Today" programme on 2 November, the Chancellor boasted that one of the successes of the Government's financial policy was that annuity rates were at their lowest for 35 years. When the Minister replies, perhaps she will say whether that is deliberate Government policy. If it is, it impacts significantly on phase 2 and undermines its credibility. At some time in the future, I can see that annuities may be removed as a compulsory way of securing people's pensions if that is Government policy. It is hardly surprising that, based on current conditions, the estimated returns under personal pension plans are showing a significant shortfall compared with the figures quoted as long ago as 10 years.

In 1988, when the first transfer cases took place, the annuity rate for a man aged 65 was 11 per cent. In 1992, the equivalent rate was 10.5 per cent., by 1994 it was 9.5 per cent, and today the rate is 8 per cent. It is mathematically simple to deduce that those who took advice in 1988 now require 37 per cent. more retirement funds to produce the same pension. The figure is 31 per cent. for those who acted in 1992 and 19 per cent. for those who transferred in 1994. That is caused not by poor advice or mis-selling, but purely by movements in the investment markets which are outside the adviser's control.

Are we really to believe that, over the next 20 to 30 years, which are the retirement years for most phase 2 cases, investment markets will show no recovery? The approach is so fundamentally flawed and so biased against the adviser that, were the cases to be brought to a court of law, they would be unlikely to succeed. Why then should the financial services industry be expected to make compensation payments on the basis of a calculation that is arbitrary and demonstrably inequitable, and which will result in windfall payments to many who have absolutely no justifiable claim?

If phase 2 of the pensions review is allowed to proceed in its current form, the role of financial adviser will be changed dramatically. Not only will it be expected that sound, professional financial advice should be given, but the adviser will be required, year by year, to have the ability to predict precisely movements in investment markets and to guarantee returns at any given point. In the past 18 months, the Government have failed to make such predictions. How is it reasonable to expect independent financial advisers to do so over a long period?

Today's debate has dealt with many of the flaws in phase 2 and demonstrated the House's unanimity on the need to resolve the pensions mis-selling issue. We look now to the Government to show some sense and reason in trying to conclude the exercise swiftly and without punishing independent financial advisers who were not at fault.

9.35 pm

Ms Hewitt: With the leave of the House, I should like to respond to our excellent debate. We have heard from at least two of the trustees of the parliamentary pension fund—my hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart), and the right hon. Member for South Norfolk (Mr. MacGregor)—

Mr. MacGregor: My hon. Friend the Member for Bournemouth, West (Mr. Butterfill) is a trustee.

Ms Hewitt: Forgive me; we have heard from three trustees—[HON. MEMBERS: "Four."] We have heard from four trustees. It is encouraging to know that the pensions of right hon. and hon. Members are in such safe hands.

We have heard from several hon. Members on both sides of the House—including my hon. Friend the Member for Stafford (Mr. Kidney) and the hon. Member for Ryedale (Mr. Greenway)—who have extensive knowledge of the industry and the law. We have heard also from hon. Members—notably my hon. Friend the Member for Hemsworth (Mr. Trickett)—with deep constituency experience of the impact that personal pensions mis-selling has had on the lives of individuals.

Tomorrow, I shall, of course, read the full debate with interest, to ensure that I have not inadvertently overlooked any point. I shall also draw the debate to the attention of the regulators, just in case they do not look at it for themselves.

As several hon. Members have said, much common ground has been demonstrated in the debate, and I warmly welcome it. There is clear agreement on both sides of the House that there was mis-selling of personal pensions. There is agreement also on the scale of the mis-selling, and that the mis-selling was a scandal. Moreover, there is agreement that the situation must be put right: as a matter of justice to the individuals who have lost savings and future retirement income; to ensure confidence in the industry—including independent financial advisers, who, I assure the House, will have an extremely important role to play; and to provide thereby a sound basis for people's future pensions and savings.

I regret to say that I cannot agree with all the points that have been made in the debate. I was astonished to hear the hon. Member for Maldon and East Chelmsford (Mr. Whittingdale) suggest that the progress that has been made on the review is attributable to the previous Government's actions. Although I am in no way criticising my predecessor, Angela Knight—whom I look forward to meeting in her new role—I should draw the House's attention to the facts.

In March 1997, three months after the first deadline for priority cases had passed, only 15 per cent. of those cases had been resolved. The figure has now reached about 90 per cent. due to the tough action and the tough stance that my predecessor took and that I shall maintain. Hon. Members who welcome the progress that has been made with phase 1 must in all honesty give credit where it is due to the tough stance of the present Government, particularly my predecessor.

I regret the suggestion by the hon. Member for Harrogate and Knaresborough (Mr. Willis) that the Government's tough action had been motivated by political advancement or self-righteousness. I hope that I misunderstood him, but he certainly seemed to make that suggestion. The facts as I have given them make it very clear that the Government and my predecessor were motivated entirely by a determination to get the mis-selling scandal put right in the interests of consumers, who are our constituents. That is what we have done and will continue to do.

A succession of points have been made about independent financial advisers. Several hon. Members have complained about the burden that is being placed on IFAs. Let me make it clear that there is an issue for IFAs to face up to: according to the information provided to us that we have published, three of the firms that we have been monitoring—all IFAs—have missed their targets for completing all priority cases. If we look back at the original deadline of 31 December 1997, we see that more than 600 small IFAs failed to meet their first priority target.

Of the phase 1 cases, the FSA has estimated that, on average, an IFA will deal with 1.8 cases of personal pensions mis-selling and in phase 2 the average will be 2.1 cases. That is not a heavy burden. An IFA—an individual or a firm—who has given good advice and not mis-sold personal pensions has nothing to fear from the phase 2 review. Of course the burden is greater for those who did not keep proper records of their business at the time or who failed to preserve such records—an action for which there is no excuse whatever. It was made clear when the extent of personal pensions mis-selling first came to light that records should be kept, and in many cases preserved indefinitely.

Many hon. Members have suggested that the review is retrospective. Let me deal with that again in some detail. As the hon. Member for Harrogate and Knaresborough admitted, the regulators' review guidance specifically states:

> "It goes without saying that the question of whether a firm was at fault in compliance terms must be judged without the wisdom of hindsight."

So let us look at the rules that were in force at the time. They obliged a regulated firm to inform itself about the client's circumstances and objectives and to give suitable advice, to give its client adequate information so as to understand the nature and effect of the recommended transactions, to ensure that the client understood the risks, and to give clear and not misleading information.

The FIMBRA conduct of business rules that were in force at the time state, for example, that a transaction should not take place unless the adviser can satisfy himself that

> "the client understands the extent to which he will be exposed to risk".

The rules also state quite unambiguously that the investment should suit the circumstances of the client and that the adviser should recommend the best product available for the client. The rules were and are perfectly clear in their meaning, and certainly would not extend to selling an unsuitable product to an unknowing investor.

The hon. Members for Ryedale and for Bournemouth, West (Mr. Butterfill) mentioned professional indemnity insurance, on which there are serious issues. The regulators and the majority of the insurers reached an accord in January 1996 on the terms under which the review could proceed without negating IFAs' insurance. The FSA is confident that the design of phase 2 is consistent with that accord. The regulators see no case for a different approach for PI insured firms. That accord allowed firms to send revised letters and questionnaires to investors.

The hon. Member for Maldon and East Chelmsford asked whether I was willing to meet the IFA association. Of course I am. I look forward to doing so later this month and discussing the issues with the advisers face to face. However, the point that I made in opening the debate stands—the IFAs who are dragging their feet on phase 1 must take action to complete phase 1. The sooner they get on with phase 2, the better.

The right hon. Member for South Norfolk, the hon. Member for Bournemouth, West and others asked how the loss will be calculated, and suggested that it was wrong to calculate it on the basis of the situation in force at the time that the review is made. I underline the point that I made in opening the debate: whether a personal pension was mis-sold is judged by reference to the rules and standards in force at the time, but the extent of the loss, if any, must be assessed at the time that the review of the case is made.

Conservative Members shake their heads, but they should listen. The guidance on how that should be done is based on the independent advice of senior members

[Ms Hewitt]

of the actuarial profession. The Government Actuary has confirmed that the methodology was appropriate, and that the actuarial assumptions fell within a range that actuaries would regard as acceptable for these purposes.

In all respects, the review process reflects the practice of the courts. If it did not, phase 2 investors who believed that they had suffered loss would have a redress in the courts that was not available to them under the regulatory action that we are ensuring. That would place a far greater burden of uncertainty on the IFAs and the firms responsible for mis-selling.

Although losses for phase 2 cases are generally lower than for the first priority cases, they are none the less widespread and material. Extensive research conducted by the FSA in deciding how phase 2 should be conducted estimates that there are nearly 1 million transfer cases, and where there is a loss it averages £4,000; 154,000 cases of opt-outs, with an average loss ranging from £3,500 to £7,250; and up to 700,000 cases of non-joiners, with an average loss in the range £2,250 to £12,000.

Those are significant sums. The idea put forward by one hon. Member, that £11 billion is a mere drop in the bucket compared with the total funds under management, will be of no comfort to younger investors who were ill advised and suffered loss as a result.

Several hon. Members have suggested that there should be no immediate review for the younger investors, and that no loss should be calculated until they reach retirement age. If it is difficult to conduct a review now, eight or 10 years after the mis-selling may have taken place, it will be virtually impossible to do so when the young investors retire, by which time the IFA or firm that sold the personal pension may have merged, gone out of business, retired, died or destroyed the records.

The suggestion is absurd, and would have the additionally damaging effect on the industry of leaving it in total uncertainty for 20, 30 or even 40 years as to the extent of the losses for which compensation might in future have to be paid. As every hon. Member will know, it is precisely the pension contributions that people make when they are young that are of the most value to them in securing a decent standard of living when they retire.

Mr. Butterfill: Will the Minister give way?

Ms Hewitt: No. I gave way extensively during my opening remarks, and I still have a great deal of material to get through, and many points to which I wish to respond.

However, perhaps I should have dealt earlier with the point that the hon. Gentleman raised, which was about the PASS initiative by the Association of British Insurers. As he said, that was only for phase 1. Many IFAs are still struggling to complete phase 1, but if they need help with phase 2—no doubt many will—I certainly hope that those running the PASS initiative will consider their requests sympathetically. The issue had not been brought to my attention before.

The hon. Gentleman also raised an important point when he made a persuasive case about the value of the present polarisation rule. That matter is being reviewed by the Financial Services Authority now. Strong arguments are made on both sides, and I want to defer judgment until the FSA has completed its work.

It has also been suggested—by the right hon. Member for South Norfolk, I think—that rebate-only cases should be completely excluded from phase 2. I have no doubt that that idea will be considered by the FSA if, as the review unfolds, there is good reason for dealing differently with a particular category of case. It is far too early to make a judgment now.

The FSA has been keen throughout to learn from the experience of the industry in implementing phase 1. Phase 2 is identical in most respects to the phase 1 procedure, with which even the Independent Financial Advisers Association says that it is now content. The exception, of course, is the way in which firms will be actively required to seek out investors and bring appropriate cases within the review.

That is being done because the regulators know, as do the Government, that awareness of a possible pensions mis-selling will be considerably lower among younger investors than it was among those who were close to, or had already reached, retirement age when the personal pensions mis-selling scandal first came to public attention.

It is unreasonable to suggest, as many hon. Members have, that the onus should be on those clients, those investors, to come forward, with no initiative being taken by those upon whom the responsibility must fall.

Mr. Peter Brooke (Cities of London and Westminster): Will the Minister give way?

Ms Hewitt: No. I have already said that I have a great deal to get through in my closing remarks, and I do not intend to give way.

I wish to refer to the question—raised by my hon. Friend the Member for Edgbaston and by the hon. Members for Twickenham (Dr. Cable) and for Bournemouth, West—of where the costs of pensions mis-selling fall. The insurance directorate issued guidance to insurers in October 1994 on where the costs of compensation for pensions mis-selling should fall. That guidance applies to phase 2 just as it did to phase 1 of the review. The insurance directorate of the Treasury is monitoring compliance with that guidance.

The basic principle, which is very simple, is that the costs should be shared fairly among those parties which stood to gain from the sale of the pension. That will include both the shareholders and the policyholders in a proprietary company. In the case of mutual insurers, there is no alternative but for policyholders to be used. In the case of shareholder-owned companies, we consider it reasonable for the with-profits policyholders to bear a proportion of the costs, following the principle that they share in the good times as well as the bad, to the extent that they stood to share any profits made from the sale of pensions contracts involved—and, of course, provided that that does not lead to a failure to meet policyholders' reasonable benefit expectations.

My hon. Friend the Member for Edgbaston, who is extremely knowledgeable on the subject, mentioned orphan assets and inherited estates, which is a distinct—but none the less linked—issue. Our objective remains to protect policyholders in line with the normal position that with-profits policyholders should share in the whole surplus of a with-profits fund—usually in the proportion of at least 90 per cent. Any exceptions to that norm need to be carefully justified. However, the precise

circumstances of each case differ, and it is not always easy to judge where the legal ownership of these often substantial surpluses lies.

In many cases, use of the inherited estate to meet personal pensions mis-selling costs is a sensible way to protect policyholders from immediate and severe cuts in their bonuses. However, as I have said, we will continue to monitor the way in which the costs of compensating the victims of pensions mis-selling are being met, and we will take any necessary action to protect policyholders' reasonable expectations.

The hon. Member for Grantham and Stamford (Mr. Davies) asked whether the costs should not instead fall upon the individuals who themselves sold the pensions, or who were managing the firms responsible for that mis-selling. It is important to stress that the sales managers and the sales force were often carrying out company policy. As my hon. Friend the Member for Hemsworth pointed out, in some cases those who were sent out to sell were placed in a quite impossible position, and it would be utterly wrong to expect the cost of compensation to fall on those individuals.

The responsibility for compliance goes right to the top of the company. The Financial Services Authority has the power to fine individuals within firms if any of them are found responsible for systematic malpractice, although that evidence is not always easily available.

I wish to refer to our pensions policy, which the hon. Member for Maldon and East Chelmsford made much of. The story in the *Daily Mail* to which he referred—as my right hon. Friend the Chancellor has made clear—has no foundation whatever. The pensions review and the stakeholder pensions proposals that we are developing are on track, and will be disclosed in the forthcoming Green Paper.

The abolition of the payment of tax credits to pension funds is part of a reform of the structure of company taxation which is in line with our determination to secure long-term growth in the economy and to remove the perverse incentive that payable tax credits gave to companies to distribute dividends rather than retain profits for investment.

I must end by stressing that phase 2 of the pensions review will go ahead. The Treasury and the regulators will continue to work with the industry to ensure good progress. I urge the industry to co-operate with us and the regulators, and to build on the progress that we have at long last made in the past 18 months.

Mr. Robert Ainsworth (Lord Commissioner to the Treasury): I beg to ask leave to withdraw the motion.

Motion, by leave, withdrawn.

LIAISON COMMITTEE

Ordered,

That Mr. Eric Clarke be added to the Liaison Committee.—*[Mr. Robert Ainsworth.]*

Farming

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Robert Ainsworth.]*

9.59 pm

Mr. Lindsay Hoyle (Chorley): Thank you, Mr. Deputy Speaker, for allowing me the opportunity to speak about the farming industry and to highlight the problems that face farmers in my constituency, who have had one of the most dismal years since the 1973 crisis.

The north-west is the second most affected area in Britain as regards the crisis in farming. Chorley has approximately 500 farmers. They are predominantly livestock farmers, although there is some arable in the lower areas of the constituency. They have all been hit hard by the bad summer and the turndown in stock prices. A ewe costs as little as £5 on Clitheroe market today, compared with £60, 10 years ago. In the past year, five of my farmers have sold up and one has had to get rid of his entire stock of pigs for next to nothing, losing thousands of pounds. Many more farmers are on the brink of bankruptcy.

The Tenant Farmers Association estimates that the average income of farmers has fallen by nearly 55 per cent. in the past year to just over £7,000. Most of my tenant farmers rent their land from North West Water or RJB Mining. Perhaps those companies could forgo six month's rent to allow the farmers to recover and give them a chance to keep farming, especially given some of the profits made by the utilities.

The situation is desperate in Chorley and throughout the country. Farmers in my constituency have pleaded with the Government for help. Without drastic action to solve the crisis, we will witness the decline and perhaps the extinction of a valuable industry and a great tradition in Britain.

I welcome the measures that the Government have taken so far to deal with the problems created by years of Conservative neglect. They have responded positively by providing agrimonetary compensation totalling £85 million in just two months and have so far retained the calf processing aid scheme to support the market for beef, which I hope will continue after November.

The Government have supported Britain's farmers in fighting for an end to the beef ban and have met the cost of enforcement of controls on specified risk materials from cattle and sheep in 1998–99. That support is worth £35 million and has helped livestock producers.

One of the best ways actively to repair the industry is to lend our support and back the "Buy British" campaign. It is vital that we not only restore the British public's confidence in British meat, but actively promote the sale of British produce. Today, the National Farmers Union launched its "Proud to Serve British" campaign, which was attended by my hon. Friend the Minister of Agriculture, Fisheries and Food. The campaign will target catering companies by encouraging them to buy British and to demonstrate that at retail outlets with the use of promotional material. I have one of the posters here.

One cannot underestimate the role that catering companies can play in supporting farming. Families in Britain spend 26 per cent. of the annual food budget on eating out and turnover in catering outlets is rapidly on

[Mr. Lindsay Hoyle]

the increase. In 1998, we spent £23 billion on catering and that figure is set to rise to at least £32 billion by the new millennium. However, only 50 per cent. of caterers buy their produce from a British source. We need to tackle that problem and to ensure that more caterers buy up to 100 per cent. from the United Kingdom. In the NFU's "Great British Food" survey of the general public, respondents said that they would like more British food to be served in local restaurants, cafes and pubs. Some 47 per cent. of the public state that their main reason for buying British is to support the rural economy, which the Government also support. We should build on that and make sure that everyone has the opportunity to purchase quality British produce.

I welcome the announcement by the Ministry of Defence that it is to serve British beef to the United Kingdom armed forces. That commitment will give a boost to the industry and help to restore confidence in beef among the British public. I hope that the MOD will soon follow suit with lamb. The lifting of the ban on beef on the bone next March will be another big step on the road to recovery.

We should now concentrate on schools, local education authorities, hospitals and other large establishments, which have a part to play in boosting the farming industry. We need a commitment from them that they will put beef back on the menu and make a concentrated effort to buy the British beef that we love.

We must put our full weight behind the campaign to back British produce. I hope that the people of the UK will show their support. We should actively encourage the public to purchase British produce by emphasising the high standards of our products.

I have already suggested to my hon. Friend the Minister that we should consider imposing stricter standards on imported meat and dairy produce. Often, inferior standard produce is imported and sold at a lower price. That must be stopped, by ensuring that meat and dairy produce adhere to high standards. The animal welfare standards observed in the UK should be applied to produce entering the UK market from abroad. For example, in the UK a qualified vet is required to be on hand at all slaughterhouses, but does the same rule apply in Greece and elsewhere—say, central America? What saving is made by not having to apply such strict standards in slaughterhouses there? If we applied equal controls, other countries would not be able to cut costs. We would be on an equal footing and furthermore, that would benefit animal welfare in other countries.

If a car is imported into the UK, we are careful to ensure that it meets all safety criteria to match our British standards. Why should meat and dairy produce be any different? I hope that the Minister will consider that.

I am disappointed by the way in which the supermarkets have acted during the crisis. It is about time that they acknowledged the vast problem. Instead of retaining the huge profits that they have been making, they should consider paying a fairer price for meat. Large supermarkets can afford to reduce their profits for the sake of a valuable industry, but instead they join together to maintain high retail prices. Soon they will no longer be able to offer the consumer a wide range of quality British products, as their greed will destroy the industry.

I welcome the fact that some supermarkets are beginning to see that. Sainsbury's, for example, now ensures that 90 per cent. of its produce is of British origin. Asda has removed New Zealand lamb from its shelves, in a move designed to boost Britain's struggling sheep farmers. I hope that Asda will pay a good price for the good quality lamb that it will sell.

In general, however, the supermarkets refuse to pay a fair price for meat and in some cases operate like a cartel, agreeing to keep prices high. Supermarkets may claim to be in competition when they sell products at rock-bottom prices, such as a tin of beans at 7p, but I do not see any savings being passed on to the consumer on beef, pork or lamb. I want a fair price for a quality product to be paid to farmers. That will protect farmers' livelihoods and allow the continuation of the farming industry and shoppers' choice.

Overall, I support the Government's efforts. They have acted swiftly to address the crisis in farming, and slowly but surely we are getting back on track. However, we need more support. I welcome the strong commitment to the UK farming industry and to the rural economy demonstrated in the intention to introduce market-oriented reform of the common agricultural policy.

I hope that we can get firmer backing for British produce to give the industry a boost; further agrimonetary compensation, especially for livestock farms; and more aid for farmers to help them in the short term and to ensure that this vital industry does not collapse.

I also welcome the support offered today by the Government to the "Proud to Serve British" campaign. The campaign is a drive to promote the quality and high standards of British farm products, and is an ideal way of restoring confidence and increasing agricultural sales. A similar campaign worked in the 1970s to counteract the worst farming crisis this century. I think that this is the way forward and will boost the industry again. I believe that farmers also have a part to play: when they need to buy a new tractor, they should also show a commitment to buying British.

10.9 pm

Mr. David Heath (Somerton and Frome): I thank the hon. Member for Chorley (Mr. Hoyle) for giving me the opportunity to contribute to this brief debate. I shall try to express some of the real desperation that is felt by many members of the farming community in the area of Somerset that I represent. One such farmer came up to me in Kingsbury Episcopi last Saturday, as the rains came down and the floodwaters came up, to tell me about the woes of many farms in his area. A farmer from Nunney approached me during my village tour to show me the slip from Frome market, which revealed that he had gained 18p net per calf. The pig farmers in Wanstrow and Truddoxhill tell me that they are losing many pounds on every weaner that they take to market.

It is unheard of in my experience and in that of many farmers to see every farming sector down at the same time, but that is the situation at present. It is often said that farmers are prone to crying wolf, but this time it is not a false alarm: our farmers are in desperate straits. That is backed up by the statistics. A recent survey in the south-west found that farm profits in the region are down by 79 per cent. on average. That compares with an average of 49 per cent. throughout the country. An even

more alarming study conducted by the university of Exeter revealed that the average net farming income for lowland livestock farmers in the south-west will be £100 this financial year—we are returning to the days of Thomas Hardy with that sort of figure.

I assure the Minister that I do not think that the crisis in agriculture began on 2 May last year. There has been an on-going problem with which some Ministers have struggled manfully. They have done some of the right things, but the farming community and I would like to see more action on behalf of the farmers. First, the Government must recognise that the crisis exists not just in the upland areas but for lowland farmers as well. There is much concentration, for obvious reasons, on the upland farms and the difficulties that rural communities in those areas face. The lowland livestock farms of Somerset and the levels are not great ranches, but small, often tenant farms. As the hon. Gentleman said, those farmers are really suffering at present.

Secondly, I believe that a basket of short-term measures could be applied at this stage. I hope that the new Minister of Agriculture will examine some of those options. As the hon. Gentleman said, those short-term measures include agrimonetary compensation, which could be applied to the lowland, as well as the upland farms. The retention of the calf scheme beyond November would be not only a good signal but a stimulus to the beef industry to believe that better times may be ahead. The rendering industry is absolutely destitute at present. There is no rendering industry, and that is causing enormous problems for many farmers.

We must ensure that there is fair competition. The hon. Gentleman was absolutely correct in his comments in that regard. I hope that current moves will be successful in ending the beef ban, and I congratulate those Ministers who conducted the negotiations. However, we must ensure that there is fair competition with imports and that we are competing on level ground in terms of animal welfare and the quality of food imports.

We need to get to grips with the supermarkets and the profits that they continue to make while farming in this country is going down the drain. We must ask whether those profits are acceptable. We also need to examine interest rates, which are having a disastrous effect on all manufacturing industry—and farming is no exception. Some of us would argue in favour of a particular route out of the impasse, but that problem must be addressed on a national basis.

We can also do better in marketing United Kingdom produce. The United Kingdom generates extremely good farm produce. As for the south-west and particularly Somerset, I believe that we have some of the most wholesome and high-quality produce when compared with the produce of anywhere else that anyone cares to name. Yet I do not believe that we are marketing our produce as effectively as we could either in this country or abroad. More emphasis needs to be put on marketing.

I hope that the Minister will not talk, as colleagues have done, about fundamental restructuring of the industry. Of course there are pressures on the industry and of course there will be fall-out from that. However, when we talk about restructuring and "increased efficiency", we may be talking about the loss of the traditional family farm and the forcing of many smaller and medium-sized enterprises into agri-business, into the large conglomerates that own a great deal of land but employ very few people. We may be losing the high standard of animal welfare which is inherent in many good family farms, where people care about the animals that they are looking after, and encouraging the growth of mono-culture, which is something that most of would prefer not to see.

Let us not talk about restructuring and efficiency, save the efficiency that comes from having a vibrant agricultural industry that employs local people, looks after animals well and provides for the best produce that we can produce.

It was a great disappointment to us in Somerset when the former Minister of Agriculture, Fisheries and Food was not able to come to Somerset to the Royal Bath and West show. It was the first time for a very long time that Ministers had not been present at the show. That is something that I hope will be put right by the Ministry this year. I invite the Minister, his right hon. Friend the Minister of Agriculture, Fisheries and Food and any of his colleagues to come to Somerset to see for themselves the position in which we find our industry and perhaps learn from the experiences of so many of my constituents, who are finding life extremely difficult and are looking for help.

10.16 pm

Mr. Lawrence Cunliffe (Leigh): I shall briefly and rapidly congratulate my hon. Friend the Member for Chorley (Mr. Hoyle). He represents a constituency that hosts exclusively the Royal Lancashire show each year, which is famous and historical. He presented his case profoundly and sincerely, and offered an excellent defence of the interests of British farmers in the north-west and throughout the United Kingdom. It was commendable and I congratulate him on it.

I shall speak exclusively about the area that I represent. Perhaps one would not think that Leigh and Wigan have rural areas where there are pig farmers, who almost exclusively are running small businesses. They are facing unfair competition. I say from my experience in Europe—tomorrow I am having discussions in Paris with the Agricultural Committee of the Council of Europe—that British pig food is quality production. It is subject to quality control and high standards, including those of animal welfare. We have higher standards than any of our continental competitors.

I feel for our farmers. We are talking of losses of about £30 to £35 on every pig that is reared, fed and sold. Many farmers face the stark scenario of bankruptcy. I know that the Government have taken commendable initiatives on which we have congratulated them but we are faced with unfair competition that hurts British producers. That unfair competition takes the form of inferior quality products. If our farmers maintain their standards they will face, obviously, a decline in their income. They cannot understand why that should happen.

Butchers in my constituency are also concerned—this is the supermarket argument. Everybody knows that the price of British beef or imported beef is propped up by the artificial prices and margins of other goods in the supermarket. That needs investigation by Committees of the House.

I am astonished—I would not say that I was shocked—that no Conservative Members are present to discuss British farming interests. I cannot believe that they are so

[Mr. Lawrence Cunliffe]

indifferent to those interests after their party's tremendous failure at the general election. Their lack of commitment to farming is revealed by their absence this evening, and it is shameful.

I conclude with a topical phrase—buy British. I say to absent Conservative Members that that is the British way. At their party conference they tried to use farming to demonstrate to the country that they are back on the agenda.

10.20 pm

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mr. Elliot Morley): I congratulate my hon. Friend the Member for Chorley (Mr. Hoyle) on the powerful and knowledgeable way in which he made his case. He spoke in great detail about the effects of the recession in agriculture on his local farmers. I listened carefully to his points and I shall respond to them in a moment.

I pay tribute also to the hon. Member for Somerton and Frome (Mr. Heath), who made a similar case about the effects in Somerset and my hon. Friend the Member for Leigh (Mr. Cunliffe), who made a good case about the pig industry. I am sympathetic to that case as I come from north Lincolnshire, which is a major pig-producing area.

I acknowledge that apart from the hon. Members whom I have already mentioned, the debate is attended by my hon. Friends the Members for Stroud (Mr. Drew), for Birmingham, Northfield (Mr. Burden), for Carlisle (Mr. Martlew) and for Wythenshawe and Sale, East (Mr. Goggins), but not a single Conservative Member. When the Liberal Democrats held a debate last Monday, Conservative attendance was also very poor. That demonstrates who has farmers' interests and those of the rural economy at heart.

I recognise that most sectors of farming, but particularly the livestock sector, are having a difficult time. The ministerial team has been listening carefully to representations by organisations such as the Tenant Farmers Association, which my hon. Friend the Member for Chorley mentioned, and many individual farmers throughout the country.

I am glad that my hon. Friend acknowledged what the Government have already done to alleviate the pressures on farming. Last winter, we provided an extra £85 million of support for the beef and sheep industries. We also absorbed £35 million of start-up charges for the cattle traceability scheme, which has helped the industry a great deal.

I listened to my hon. Friend's points about the calf processing aid scheme. My right hon. Friend the Minister of Agriculture, Fisheries and Food is considering that and other measures. That scheme is a two-edged sword and people in the industry have argued for its end. It must end at some point and although we concede that that will cause welfare problems, the scheme itself has caused such problems.

I agree that one of the most important actions that we can take to restore confidence to the livestock sector is to get the ban on British beef lifted. We are in the final stages of achieving that. A tremendous amount of work has been done by my right hon. Friend the Minister and his predecessor, my right hon. Friend the Member for Copeland (Dr. Cunningham). That will probably be discussed at the next Agriculture Council in November. There is no doubt that lifting the ban will send the right signals to the industry.

It is worth mentioning that one of the reasons why the livestock sector is facing such difficulties is that it faces the on-costs of specified offal removal. We must have such regulations and the extra costs because of the catastrophe of BSE, which has hit not only the beef industry but the whole livestock sector. The previous Administration made some terrible mistakes in dealing with BSE, and we are still feeling the reverberations and repercussions.

My hon. Friend the Member for Chorley made some good points about what can be done to help the livestock sector. He mentioned the promotion of the high standards of British meat production. We accept his case and, indeed, recently held a catering seminar chaired by Lord Donoughue. Its aim was to encourage the catering industry, which is a major sector of the economy, to use more British products. We argue that case not simply because we are British, although I was moved by my hon. Friend's patriotism.

The fact that a product is British is not enough. We argue for the use of British products on the basis of quality and welfare and hygiene standards. As my hon. Friend rightly said, our products conform to the highest standards in the world, and that fact needs to be borne in mind in the interests of fair and open competition. I shall say a little more about that in a moment.

My hon. Friend the Member for Leigh mentioned the pig industry. I understand what he said as I represent an area that is one of the centres of the British pig industry. Our British pig producers have put a great deal of effort and a great many resources into raising welfare standards and ending the sow stall and tether systems. In addition, pigs in this country are not fed meat and bone meal, as they often are on the continent.

I must stress that the pig industry has not come to the Government asking for more subsidies—in fact, it is not subsidised. It has asked only for recognition of its high welfare and quality standards, and it is absolutely right to do so. I might have a little word of encouragement for the industry. Today, my right hon. Friend the Minister of Agriculture met the British Retail Consortium, which represents all the major retail supermarkets. It has agreed with my right hon. Friend that it will no longer stock pigmeat or bacon that comes from sow stall and tether systems or from pigs that are fed meat and bone meal. That is a tremendous step forward. As I said, this is not about being a little Englander but about fair competition.

Of course, some continental producers produce pigmeat to the same standards as we do. That is fine; that is what fair competition is about, but it is not unreasonable for the British Retail Consortium to recognise the particularly high standards that prevail in pig production in the UK. Of course, the customer also wants high standards. The consortium also discussed with the Ministry the fact that some imported meat is packed in the UK and then marketed as British meat. It has assured us that it is going to take action in that regard, and I congratulate it on that.

As my hon. Friend the Member for Chorley rightly said, the Ministry of Defence is sourcing 100 per cent. of its pigmeat, 50 per cent. of its bacon and—eventually—all of its beef from the UK. We shall of course use our influence on other Departments and on local government, not in an attempt to restrict trade but in order to get recognition of the high standards operated by the livestock sector.

We have been listening to suggestions from the industry and have listened to the points made this evening. We have also been considering the various options. Of course, there are cost implications involved in any package, and any measures have to take their place among other Government priorities when it comes to the allocation of available resources. It is the kind of case that my hon. Friend the Member for Chorley has made this evening, and the way in which he has made it, that influences the Government. I assure him that he can tell his farmers tomorrow that we have listened carefully to what he and his colleagues have said. I assure him that what he has said tonight will influence what happens.

Question put and agreed to.

Adjourned accordingly at twenty-nine minutes past Ten o'clock.

House of Commons

Wednesday 4 November 1998

The House met at half-past Nine o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Robert Ainsworth.]*

Health and Safety

9.34 am

Mr. Michael Clapham (Barnsley, West and Penistone): I have been fortunate in securing a debate on an important subject. However, I should begin by congratulating the Under-Secretary of State for the Environment, Transport and the Regions, my hon. Friend the Member for Mansfield (Mr. Meale) on his recent promotion.

Because of the nature of their work, some people are more vulnerable than others; nevertheless, occupational health and safety affects everyone in the world of employment. I therefore welcome the priority that the Government have given to occupational health and safety.

This year, the Health and Safety Executive will receive a £4.45 million increase, reversing cuts agreed by the previous Administration. That increase also signals an end to government hostility towards, and neglect of, occupational health and safety, which were all too apparent during the previous Administration's 18 years in office. The previous Administration were particularly hostile towards trade unions' role in occupational health and safety. They were also preoccupied with deregulation, and that distracted them from considering health and safety issues. It is good that that situation has ended.

Other Departments in the new Government are complementing the action being taken by the Department of the Environment, Transport and the Regions. The Department of Health's Green Paper on public health, for example, will address the issue of occupational health and safety. I am pleased that the new Government are making health and safety a much higher priority.

I should say that not all of my suggestions and questions in this debate will fall within the remit of my hon. Friend the Minister. Some may be dealt with only by a joint approach, which is already under way, among Departments and others.

Earlier this year, the Health and Safety Executive and the Department of Health sponsored a conference to focus on the health and safety needs of those working in small and medium enterprises. The Government's "Public Health" Green Paper was started after the conference. Before the conference, the Health and Safety Executive circulated a document entitled, "Developing an Occupational Health Strategy for Great Britain". The closing date for submissions on the document to the Health and Safety Executive is 11 December 1998, and I urge all my hon. Friends and other hon. Members to make their submissions on developing an occupational health strategy before that date.

I shall deal first with stress. It is estimated that approximately 19.5 million working days are lost annually because of ill health. Statistics provided by the Health and Safety Executive show that, of those lost days, about 7 million working days are lost because of stress-related illness. Stress is increasing annually, and is very much related to changes in employment structures. Flexible working, for example, has been introduced as a response to globalisation, creating uncertainty that causes unease, discomfort and stress. A second factor contributing to increased stress is the quest for ever-greater productivity, to ensure our competitiveness. Inadequate investment in British industry is a contributing factor to such stress.

I wish to elaborate on that a little because it is clearly related to the problem of stress in British industry. Some hon. Members may have seen an article in *The Sunday Times* of 11 October written by Andrew Lorenz and David Smith. It was based on the McKinsey studies carried out for the Treasury, and some of the figures were astonishing. For example, it showed that our main competitors—Germany, Japan, America and France—invest far more per worker than the UK. Germany invests a massive 67 per cent. more; Japan invests 55 per cent. more; America invests 52 per cent. more and France invests 46 per cent. more. If those figures show anything, it is that workers are as good as the tools provided for them to work with. As less is invested in British workers, enormous pressure is put on them to produce more to meet that competitive agenda.

Mr. Ken Purchase (Wolverhampton, North-East): I entirely agree with my hon. Friend's remarks on investment—they would be echoed throughout industry—but is it not also true that, at the point of production, the greatest problem on the shop floor is stress and the drive for greater productivity? Does it not lead to that well-known syndrome of the "tear arser", who puts other people's safety in danger, as well as his or her own? Should not my hon. Friend now deal with that matter, given that so many injuries are caused to people on the shop floor as a result?

Mr. Clapham: I thank my hon. Friend for his intervention. As a result of those pressures on the shop floor, supervisory staff and managers often resort to bullying. That feature is clearly shown in a recent study by the Trade Union Congress, which showed that bullying is one of the main characteristics that leads to stress. We must also bear in mind that, in the teaching, social work and nursing professions, society's demand for greater accountability, which is quite right, has led to more administration. When that is added to all the other pressures, it leads to stress.

Will the Minister consult the Health and Safety Commission, which has been looking at this issue for some time, to see what action it has taken? We require stress management strategies, perhaps embraced within an approved code of practice. If that were applied in industry, we could start to deal with stress. Unless we take action, more and more working days will be lost.

The cost of work-related ill health is immense. An estimated 2 million people a year suffer from work-related illness and 250 to 300 people a year die from work-related injuries. The figure for 1997-98 was 268 and for the previous year it was 287. Thus, there is still an enormous death toll. Moreover, of the estimated 10,000 deaths

[Mr. Clapham]

related to ill health, 3,000 to 4,000 are caused by exposure to asbestos. The human suffering caused by that carnage is immeasurable, and the cost to the economy is enormous. The chairman of the Health and Safety Commission, who spoke at an all-party group on occupational health and safety earlier this year, estimated that the cost to the economy was between £16 billion and £18 billion—a huge sum by anyone's reckoning. If we are to reduce that figure, we must develop strategies that can be used in industry to prevent the development of stress.

Last week, the National Association of Occupational Health Projects held a seminar in the House. It was addressed by Professor Malcolm Harrington of the occupational health department at Birmingham university, by the Minister for Public Health, by a representative of the Health and Safety Executive and by various speakers from occupational health projects throughout the country. The seminar drew attention to the enormous amount of work that occupational health projects have done in the past 20 years. Those involved work in the community and help to identify the causes of work-related illnesses. They also work with trade unions and management to create preventative strategies. Their work in the past 20 years is enormously valuable.

A few of the occupational health projects are funded by the Department of Health, but the vast majority depend on an assortment of funding. Many spend much of their energy raising funding in order merely to survive. I should like the health improvement plans drawn up by area health authorities to embrace the work done by the occupational health projects. The health projects could then engage with local primary care groups, which would add to their valuable contribution and extend it to improving the health of the nation.

Thus, occupational health projects play a valuable part in protecting the health of the community. Some years ago, they came up against the problem of the increasing number of people diagnosed as suffering from asbestosis or mesothelioma cancer caused by asbestos. We know from statistics that have been provided that, every year, between 3,000 and 4,000 people will die in the UK as a result of exposure to asbestos. Government estimates suggest that that figure will continue to increase, and could reach 10,000 deaths by 2020.

Since 1985, blue and brown asbestos have been banned in the UK, but large amounts of white asbestos are still entering the country. Much of it is contained in materials used in the construction industry. May I suggest that the Minister's Department send a memorandum to other Departments that are involved in large construction programmes, such as the Departments of Health and of Education and Employment, advising them to tell contractors working on those construction programmes not to use materials that contain white asbestos? It is not always easy to discern materials that contain white asbestos because they are badly labelled and often come from eastern Europe. Contractors do not always know that some roof tiles, floor tiles and piping contain white asbestos. It is therefore important that the two Departments with major construction programmes are made aware that many of the materials used in construction contain white asbestos.

The evidence that white asbestos is dangerous to health is overwhelming. The Health and Safety Executive accepts that there is no safe threshold for working with white asbestos. In most areas where it is used, safe and adequate substitutes exist.

Earlier this year, the Health and Safety Commission commissioned research by Leicester university after a bizarre decision had been made in one of the European technical committees that asbestos substitutes may be more dangerous than white asbestos. That research has now been completed and published and it shows that white asbestos is more of a hazard than the substitutes used to replace it. In addition, the Department of Health's committee on carcinogenicity stresses that, wherever possible, alternatives to asbestos should be used. Finally, if that were not sufficient evidence, nine EU countries have implemented their own unilateral bans on white asbestos.

My hon. Friend the Member for Tooting (Mr. Cox), who is president of the Council of Europe's Social, Health and Family Affairs Committee has steered through a report calling for a ban on white asbestos. I pay tribute to his work in processing that report.

Had it not been for the Canadian producers keeping Europe at bay, we might have already imposed a ban, but the Canadian producers would have us believe that white asbestos is so safe that we could pour it on our cornflakes in the morning. They do not realise the problem, or will not accept the evidence that it is a dangerous material. However, Europe is not their real target. Their target is the third world, where there are no controls. They know full well that it offers a limitless market. At the same time, through the World Trade Organisation, they can obstruct a European ban. There is a tendency for such matters to become caught up in interminable bureaucracy.

If it appears to my hon. Friend the Minister that the move towards a European ban is becoming bogged down and there seems to be little progress, will he consider pressing ahead with a unilateral United Kingdom ban to protect future generations? In my view, that should be done as soon as possible.

Even when we have dealt with white asbestos by prohibition, there are still problems to be faced. One is enforcement. Although stringent regulations have been in place since 1983, there are still difficulties with enforcement. I note that the Health and Safety Executive has become more vigorous, but resources are limited and inspections and fines are inadequate. The record shows that 768 companies are licensed to work removing asbestos in demolishing buildings yet, between 1990 and 1993, the average fine for violation of the regulations was £1,570. During that three-year period, no company had its licence revoked.

I am aware that there has been a more vigorous approach recently and, in 1996, a contractor was imprisoned for exposing his workers to asbestos while demolishing an old factory in Bristol. So there are signs that the Health and Safety Executive has started to take a more robust approach to breaches of the regulations. Nevertheless, I want to press my hon. Friend the Minister to take the matter up with the Health and Safety Executive and ensure that the regulations are stringently applied and the level of fines is significantly increased. That would

send a clear signal that the Health and Safety Executive and people at large were not prepared to accept violation of the regulations.

Mr. Purchase: My hon. Friend addresses the matter with great knowledge. Does he accept that the conditions under which people go to work are such that a worker complaining about such a situation and ultimately refusing to work in those conditions would probably be sacked? If he had been employed for less than 12 months, he would have no redress whatever. Is it not a simple matter of giving individual workers more power to take responsibility for their own health and safety at work without the fear of instant retribution and sacking?

Mr. Clapham: I am grateful to my hon. Friend for that intervention and I accept his point. I shall deal with that issue when I discuss safety representatives. I have some proposals for my hon. Friend the Minister, but it is quite true that, at present, anyone who raises an objection in the workplace faces the threat of dismissal, and that needs to be addressed.

Let me return to the problem of asbestos. Even with rigid enforcement, there are still difficulties because there is an enormous amount of the stuff in public buildings. The TUC has suggested that there should be a responsibility and a duty on the owners of buildings to audit their buildings, identify the asbestos and label it. That might improve maintenance. The fact that asbestos has been identified does not mean that it has immediately to be whipped out of a building. Provided that it is managed properly, it can be maintained safely until such time as it can be removed. An audit would certainly result in better maintenance. Such an audit would make it possible to have a public register of such buildings for the purposes of compensation.

When people are found at postmortem to have died from asbestosis, it is difficult to trace the workplace where they were in contact with asbestos. One of the security men who works in this place told me that his father-in-law was found to have died from mesothelioma cancer. As he had been a clockmaker all his life, it became extremely difficult for him to establish a claim for benefit because he had to prove that he had been in a workplace where there had been asbestos. It took 18 months to get the appeal board to accept that he had worked somewhere where he had been exposed to asbestos, despite the fact that he died from mesothelioma cancer. Under those circumstances, setting a common law damage claim on its feet is almost impossible.

I am aware that there has been a consultation document on the subject. Will my hon. Friend the Minister ask the Health and Safety Executive to expedite the matter to give people access to a register? More importantly, I note that, last year, something like 1,350 postmortems reported mesothelioma as the cause of death. There must be an accessible register of workplaces that have asbestos in their structure.

My hon. Friend the Member for Wolverhampton, North-East (Mr. Purchase) referred to the pressures brought to bear on workers. October this year saw the 21st anniversary of the Safety Representatives and Safety Committees Regulations 1977. The TUC estimates that there are more than 200,000 workers, safety representatives. They are appointed wherever there are recognised trade unions. That is important for the package of rights that my right hon. Friend the Secretary of State for Trade and Industry is steering through. The extension of trade union recognition will give an opportunity for the appointment of safety representatives in more workplaces, which is a very important step.

The enormous amount of work done by workers' safety representatives is one of the major reasons for the reduction in accidents over the past 20 years. The TUC's survey of the statistics shows that companies that have appointed safety representatives and have joint union-management safety committees have 50 per cent. fewer accidents than those which do not have the same procedures. That shows the benefit of having safety representatives. As my hon. Friend the Member for Wolverhampton, North-East said, increasing the number of safety representatives would remove some of the pressure and fear for their jobs that people feel if they raise safety issues, because the worker would be able to raise the point with the safety representative, who could then take it up with management and ensure, through the safety committee, that positive action was taken.

I accept that the structure of British industry has changed in the past 20 years. Gone are the larger units of production. There are more small and medium enterprises, employing an increasing proportion of the population. There is often no trade union organisation and management has little access to information about health and safety. I should like my hon. Friend the Minister to direct the Health and Safety Commission to work with the TUC and industry to devise a system of roving safety representatives who could be on hand to provide advice to small and medium enterprises. I should also like him to ask the Health and Safety Commission to carry out a study on the impact of extending the rights of safety representatives. If we gave safety representatives the right to stop the job and serve enforcement notices, as safety representatives in Sweden and Australia can, management would not have the opportunity to sack a worker who dared to raise a problem about safety on the shop floor.

Although we have stringent regulations on the issue, the reporting of accidents in the mining industry has caused the mining unions a great deal of concern. They have long argued that there has been massive under-reporting. The National Association of Colliery Overmen, Deputies and Shotfirers, which is the safety union in the industry, says that there is clear evidence that there was massive under-reporting from 1988 until recently. The Health and Safety Executive has taken that on board. I raised the matter in June during business questions, when the HSE had issued a document that showed clearly that there had been under-reporting in the mining industry. The frequent failure to include accidents that cause an absence of three days or those that occur during weekend working has skewed the statistics.

The constant pressure brought by NACODS on the issue resulted in the publication in June of details of the Health and Safety Executive's audit, which showed that there had been 52 per cent. under-reporting. NACODS contends that the figure is greater—as high as 300 per cent. NACODS rejects the HSE's excuse. I understand that the general secretary of NACODS was told by the chief executive of the HSE that 52 per cent. under-reporting of accidents is normal. The unions do not accept that, and neither do I. I accept that there is bound to be some under-reporting, but for a figure of 52 per cent. to be accepted as normal is excessive.

[Mr. Clapham]

When accidents are not reported, there is no follow-up, which means further accidents that could have been avoided. It is very important that we ensure rigorous reporting of accidents. Last week, the HSC, perhaps as a result of the pressure that I have referred to, issued a consultation document, "A Duty to Report Accidents". I hope that my hon. Friend the Minister will impress on the HSE the need for an overhaul of accident reporting in a framework that will allow the creation of prevention strategies. The HSE should be reminded of that, because we must have follow-up procedures from which further strategies can be developed that will prevent further accidents.

I want to finish where I started, by welcoming the higher priority given by this Government to health and safety. There is still much to be done. The 18 years of Toryism worsened health and safety provision. The Minister could signal a new determination, in the context of the higher priority given by the Government, by making it clear to industry that he will be pressing for higher fines and sentences for health and safety offences.

10.9 am

Mr. David Chidgey (Eastleigh): I, too, congratulate the hon. Member for Barnsley, West and Penistone (Mr. Clapham) on securing this debate. As he has demonstrated, health and safety at work is a very wide and diverse issue. I shall concentrate on just three areas in order to allow other hon. Members to contribute to the debate.

Far too many people are killed or injured in the workplace. Greater effort must be made to improve health in the working environment. Let us take the construction industry as a case in point. Hon. Members will know that I spent much of my working life as a consulting engineer in that industry, so I speak with some experience when I say that it still has one of the highest fatality rates.

The Minister, whom I congratulate on his appointment, may be aware—these may be cross-departmental concerns—of the important progress of the introduction of roll-over protection structures regulations. The fitting of ROPS make construction plants safer. I welcome the measure; they will save lives and reduce injuries. The Minister may, however, be aware that, although industry welcomes the measure, too, it has concerns. That is particularly so in my constituency, which has a high concentration of plant-hire firms.

The industry has raised concerns about the timing and implementation of the new regulations. There is no question but that they are important. Not a single life should be lost through unnecessary delay in their implementation. The Minister may be aware of industry claims that equipment manufacturers have nowhere near enough capacity to supply the conversion kits that are necessary to modify all plants in time to meet the new standards when the regulations come into force. I am in no position to give a view on whether that is so.

The Minister may argue that the introduction of the new regulations has been signalled for some time. The key issue is when the United Kingdom regulations were drafted. What guidance was industry given on the UK version of the European regulations so that it could make precise arrangements to meet them? What assessment have Government officials made of the industry's capacity to meet the demand for conversion kits? What assessment was made of the lead time to supply the kits in order for the industry to be able to comply with the regulations? The Minister may not be able to reply today; perhaps he will later. We need answers to those important questions.

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Mr. Alan Meale): I assure the hon. Gentleman that I am aware of all concerns in the industry. In fact, next week—I think—I am meeting another hon. Member and representatives of the industry in my office. I invite the hon. Gentleman, too. I am aware of the serious concern, but I think that there are ways in which we can get round the difficulties.

Mr. Chidgey: I am very grateful to the Minister for replying so promptly. I very much hope to be able to join the delegation in his office. I should like to establish whether he is satisfied that there has been sufficient consultation, assessment and planning. We need to consider such practice for future models. We must ensure that new regulations can be introduced sensibly and effectively. If the Minister is satisfied, it could be argued that the industry is being disingenuous, which I hardly think is the case. There is a genuine will by all parties to improve safety in construction.

Health and safety at work has come a long way since we began introducing kicker boards on construction sites and insisting that hard hats were worn. Health and safety science extends well beyond immediate concerns, such as accident investigation and reporting, on which the hon. Member for Barnsley, West and Penistone commented. It has gone well beyond the compilation of exposure limits for hazardous chemicals. Long-term research is essential in order to anticipate potential risks of changing work practices.

In the past—even today—we have been concerned with accidents in mines and on construction sites. Now, new risks are associated with working practices in the electronic office, such as the rise in the number of upper-limb disorders. A new area of risk in the workplace, and to the public at large, is associated with emerging technologies, such as genetic modification. The Minister will be aware of public concern over the release and marketing of genetically modified organisms, and perhaps of calls for a total ban on them—or, at the very least, a moratorium on their introduction into the food chain.

The Minister may also be aware that, in 1995, the Health and Safety Commission's advisory committee on genetic modification published a report entitled, "Genetic Modification—Risks and Safeguards". What action are the Government taking in the light of that report? I appreciate that the Minister has not had notice of the question, but I would like an answer. What progress is being made on a rational assessment of the risks to the public of introducing GMOs into the food chain? When do the Government expect to be able to introduce sensible, pragmatic, and above all, risk-free regulations to protect and preserve public safety?

Several key areas must be addressed across this wide-ranging issue. I hope that I have made it clear that everything from the implementation of improved safety measures in the construction industry, to better understanding of risk assessment, the duty of care in the

workplace and electronic office, and scientific developments in food needs to be addressed within the remit of health and safety.

I conclude by reinforcing, to a degree, some of the points made by the hon. Member for Barnsley, West and Penistone. It is especially important that companies which breach health and safety law face penalties that recognise the gravity of the offence—indeed, imprisonment, where the offence is serious enough to warrant it. Far more needs to be done to impress on employers their responsibilities in the workplace. Employees should be empowered by having responsibility for monitoring and improving working conditions. They should be able to refuse to undertake unsafe work without suffering social security penalties, such as the withdrawal of benefit. The Health and Safety Executive must be properly staffed and funded in both a policing and advisory role. I hope that the Minister will respond to some of those points.

10.17 am

Mrs. Ann Cryer (Keighley): The subject of this important debate could have a profound effect on the lives of very many of our constituents. I shall concentrate my comments on the dangers of asbestos.

My hon. Friend the Member for Barnsley, West and Penistone (Mr. Clapham) mentioned that, in April, my hon. Friend the Member for Tooting (Mr. Cox), as rapporteur of the Social, Health and Family Affairs Committee of the Council of Europe, of which I am a member, compiled a report, "Dangers of asbestos for workers and the environment". I should like to quote from the summary of his recommendations.

"Ever since the health dangers of asbestos were discovered in the 1960s and there was widespread concern, many countries have introduced regulations on asbestos use, disposal and removal. However, these measures, though sometimes stringent, are not enough to eliminate all risks.

The report therefore advocates that legislative action for a total ban would be the only effective solution to this problem in the medium-term."

The summary also encourages further research into asbestos substitutes, and finishes by saying:

"Even if the use of asbestos were to be eliminated in Europe, the problem remains . . . in other countries, especially within the Third World, and this requires special measures on the export of asbestos-containing products."

The report was eventually approved after a long and heated debate for which many amendments—22, I believe—were tabled by the Russian delegation because of their vested interest in the production of chrysotile, or white asbestos, and in the teeth of a great deal of lobbying behind the scenes by the Québecois members of the Canadian Parliament, who hold observer status at the Council of Europe. Again, their opposition was due to vested interests in the production of chrysotile.

I put on the record my appreciation of the work that my hon. Friend the Member for Tooting did on the report, and of the enormous help that the GMB union gave with the research. I hope that our Government will take the recommendations on board.

I was unaware of the dangers posed by asbestos until, in the early 1970s, I saw a moving television documentary called "Alice—A fight for life", which told the story of Alice, who was brought up in a terraced house in Hebden Bridge in the west riding of Yorkshire. As a child she had played in the streets with asbestos, making "snowballs". The asbestos had been emitted by Acre mill, nearby, and after a long and vitriolic legal struggle, Turner Newall—or Turners Asbestos, as it had been—eventually paid her compensation related to the asbestosis from which she died shortly afterwards.

In my constituency of Keighley, money is spent year after year by Bradford metropolitan district council, our education authority, on treating and removing asbestos from school buildings because it has become unstable, or because roof replacements, rewiring, refurbishment or other necessary repairs have exposed the substance. We have many children who enter school without English, and many more from extremely poor homes, so our education budget is constantly under pressure, and we would much prefer the money to be spent on the education of our children.

However, we do not have the luxury of choice, especially since the death of Shirley Gibson, a teacher who worked for the London borough of Greenwich. Shirley was 37 years old, and the coroner's inquest concluded that her death, from mesothelioma, was caused by being in contact with asbestos in her classroom.

Another story to hit the headlines in West Yorkshire, similar to Alice's story but very recent, is the tragic case of June Hancock. She died on 19 July last year, having won her claim for compensation against Turner Newall because she suffered from mesothelioma, also caused by playing in the streets with asbestos, this time near the company's factory in Armley, Leeds.

The campaign against asbestos waged by June and her supporters, together with other groups, including trade unions, may have saved the lives of children in the Birmingham area. Heightened public awareness led to the discovery of children playing with illegally dumped asbestos, and it was rapidly removed.

The cases that I have mentioned are those of women and children, who did not work in the asbestos industry or related industries, such as construction or car repairs, where the vast majority of cases of asbestos-related diseases are found. I have used those cases to bring the personal individual tragedies into the debate, rather than depending on exchanges of statistics.

I hope that, before too long, we shall see improved methods of detection and treatment for existing asbestos in buildings, and improved detection, treatment and care of those suffering from asbestos-related diseases, including those whose disease is as yet undetected or latent. I also hope for an eventual total ban on the use of all forms of asbestos, including chrysotile, because all forms of asbestos can cause asbestosis and lung cancer.

A Québecois representative at the Council of Europe said that white asbestos is safe if used correctly. Unfortunately, both the building industry and car repair workshops are notoriously difficult to monitor, not least because of low trade union membership.

Almost half of the European Union countries already ban all new asbestos, and I trust that we will soon follow them. To push the argument further, I will bore hon. Members with just a few statistics. In France, 2,000 people died from asbestos-related diseases in 1996; in the United Kingdom in the same year, 3,000 died from the same cause—there were 30 deaths in Sheffield alone—while in the whole of Austria, after a 20-year ban on all forms of new asbestos, the figure was 30, the same as Sheffield's, for the same period.

[Mrs. Ann Cryer]

We already have alternatives to asbestos, and there may be room for improvements. If so, what better way to celebrate the millennium—which would conform to both Christian and Jewish teachings—than to convert some of our too many swords into the proverbial ploughshares? We could use a fraction of the enormous sums spent on research and development for means of destroying life, through weapons technology and methods of delivery, to find a means of saving millions of lives through the development of safe, efficient and affordable alternatives to deadly asbestos.

Finally, I thank my hon. Friend the Member for Barnsley, West and Penistone for calling for the debate, for his excellent contribution—especially what he said about whistleblowers—and for the sterling work that he has devoted to the subject over many years. With his help, and with that of others in this place and of the trade unions, health and safety at work has been, and will be, kept where it belongs, high on our political agenda.

10.25 am

Mr. Andrew Dismore (Hendon): I congratulate my hon. Friend the Member for Barnsley, West and Penistone (Mr. Clapham) on securing the debate. I practised as a personal injury solicitor for 20 years, and coincidentally, I started in practice two weeks before the safety representative regulations came into force. I believe that I dealt with the first fatal accident under the regulations; tragically, it occurred during the small hours of the morning that the regulations came into force.

In my 20 years in practice, I investigated thousands of accidents, from the horrors of the tragedies of King's Cross and Zeebrugge to the more commonplace slipping, tripping and lifting accidents—including the bizarre, such as the accident in which the fire station where a firefighter worked burnt down. The vast majority of those accidents were avoidable with foresight, and would not have occured if the precautions eventually recommended had been undertaken at the time.

My hon. Friend described the cost of accidents to the country. I am concerned by recent press coverage, which has become judgmental, and tries to separate out deserving and undeserving accident victims, often on the basis of ill-informed and unfair comment. That does not help to instil the safety culture that we need in our workplace.

The best example is the apocryphal McDonald's coffee case in America, in which people criticised the lady concerned for claiming compensation. In fact, McDonald's had super-heated the coffee way beyond the temperature that would be expected in an ordinary kettle, and the lady suffered terrible third-degree burns. Those facts are rarely reported.

More recently, we have heard attacks on public sector workers for bringing compensation claims—yet we hear little comment on the health and safety record of the public sector in the fire service, the police service and the health service. There is much room for improvement there, but it gets little press coverage.

My hon. Friends the Members for Barnsley, West and Penistone and for Keighley (Mrs. Cryer) have described the new challenge for health and safety posed by the drive for greater productivity. Speeding up outdated machinery and processes often results in accidents. I recently dealt with the case of a young man aged 16 who lost his fingers in a press. The machine was old and badly maintained, and the guard was faulty. The boy was under pressure to improve his productivity, and he lost his fingers. That illustrates the need for proper investment. When we talk about higher productivity, we must consider the consequences—consequences such as those that my hon. Friends have described.

The hon. Member for Eastleigh (Mr. Chidgey) talked about the risks associated with new processes. Thirty years ago, some of the risks of asbestos were known, but they were little publicised. The risk of industrial deafness was unknown, yet the thousands of claims now coming through show what tragedies took place, especially in shipbuilding and heavy engineering. The insurers may pay the financial price, but the real price is paid by the workers in their quality of life, and sometimes with their very lives.

Now we have new risks. The hon. Member for Eastleigh mentioned some of them. There is repetitive strain injury and eyestrain caused by keyboards and screens, and all sorts of additional stresses that we are starting to notice. The increasing use of chemicals will have unknown consequences. We must be on our guard against such future risks.

The new safety challenges have brought new safety regulations, through the European Union directives of a few years ago—the so-called six-pack. That introduced the new concept of risk assessments. Much lip service is paid to risk assessments, but they may not be done properly. Perhaps the best example is in the manual handling regulations, where the first step in the risk assessment should be to determine whether the lifting operation is necessary or could be avoided. That often becomes the last question, rather than the first.

Mr. Chidgey: Does the hon. Gentleman agree that, although the concept of duty of care and risk assessment is a major step forward, little has yet been done to monitor the effectiveness of risk assessments?

Mr. Dismore: I agree with the broad thrust of what the hon. Gentleman says, and I would be sorry if the only way in which we could monitor effectiveness was through court cases involving people who had been injured through risk assessments not being done properly.

We in this House could also set a good example. I recently had an independent safety audit carried out on my constituency office, which produced a few things that I need to have done. We must also ensure that we comply with health and safety regulations when visiting factories or construction sites in our constituencies and more widely. I regret that a Conservative Member, whom I accompanied on a recent site visit to Portcullis house, was not complying with safety regulations because he refused to wear a safety helmet. I brought that to his attention at the time, and have done so subsequently.

My hon. Friend the Member for Barnsley, West and Penistone mentioned problems concerning safety regulations and the need for better enforcement. The regulations work by consent, and generally work well, but there are problems when they do not work. The big problem is enforcement, because regulations can be enforced only through the Health and Safety Executive or by the Attorney-General.

I dealt with a case involving the fire service a few years ago. It wanted to hold an exercise off-site in a derelict building of the sort that is torched for dramatic effect in "London's Burning". The union wanted to inspect the building to make sure that it was safe for the drills that were to be conducted, but it was refused access by the employers. We investigated the position and there was no possible way for the union to bring enforcement action to make sure that its legal rights were respected.

I should like my hon. Friend the Minister to consider whether we can have independent enforcement—perhaps by the trade unions, which would act responsibly—in cases where the HSE will not act, often because pressure of work means that it cannot conduct the vast bulk of the tasks that it needs to carry out.

The Health and Safety at Work, etc. Act 1974 contained major advances in health and safety in this country, and they were built on by regulations. Again, part of the problem—due to pressure of work on the HSE which is not alleviated, and no matter how much extra we put into it—is enforcement. There are new employment law rights to walk off the job if it is dangerous, and for safety representatives to stop work if it is dangerous, but they are difficult to enforce because there is always the fear of victimisation. I would like a system where not only the HSE, but workers and trade unions, could bring private prosecutions for breaches of the regulations in the most serious cases. That would plug the big gap in health and safety enforcement.

We also need to consider the definition of "worker", because a lot of the dodging of health and safety regulations has revolved around saying, "This person is not a worker; he is a self-employed contractor." Work practices are changing, so we must consider the definition of "worker" in respect of health and safety enforcement activities.

Accidents will inevitably happen, but we need to make sure that we are able to find out why. The victim is entitled to know why that accident happened, and to an apology from his employers, if it was their fault. A lack of such explanations and such information, including information released by the HSE, encourages claims. Injured workers want to find out what happened, and many of my clients have said to me, "I don't want this sort of accident to happen to someone else, and that's why I am bringing the claim." If action had been taken, and if explanations had been given, those claims may have been avoided.

We have problems of uninsured employers, and we should consider schemes to overcome them. We also need a register of insurers to enable employees who bring claims—for example, for asbestosis—to track down the insurers concerned and the records so that they can find out what happened.

With a Labour Government we have, as my hon. Friends have said, a greater commitment to health and safety. We have come a long way, but there is a long way to go. There is no room for complacency—the risks to health and safety are ever-present, and enforcement action is always expensive. We need to build on the great experience of trade unions and safety representatives in trying to tackle those problems.

10.33 am

Mr. Ian Stewart (Eccles): I am pleased to be able to participate in the debate, and I congratulate my hon. Friend the Member for Barnsley, West and Penistone (Mr. Clapham) on securing it. He is an assiduous and committed chair of the all-party group on occupational health and safety, of which I am a member. I also congratulate the new Under–Secretary of State for the Environment, Transport and the Regions, my hon. Friend the Member for Mansfield (Mr. Meale), and look forward to discussing a number of health and safety issues with him directly.

Earlier this year, I was lucky to secure a half-hour Adjournment debate on health and safety representatives, and I should like to make a few follow-up points later.

Hon. Members have referred to the cost to industry of days lost through ill-health—£5 billion a year. In the recent debate on the working time directive, my north-west colleague, my hon. Friend the Minister of State, Department of Trade and Industry, reminded the House that the Confederation of British Industry estimated that £25 billion was lost to the economy in the last year of the Conservative Government due to unregulated absenteeism. The Health and Safety Executive's figures show that 500,000 workers suffer from stress and anxiety caused, or aggravated, by work.

I am proud that Labour's employment and industrial reforms will improve the benefits and rights of millions of workers in relation to wage levels, sick pay and holiday entitlement. I look forward to employee rights to representation being improved in legislation to implement the White Paper, "Fairness at Work". I believe that those measures will improve employees' financial and emotional well-being, but improved occupational health and safety provisions are essential, too.

Measures to improve the identification of work-related health problems, and to treat them effectively, are important. Stress management and counselling have gained vogue in recent years, but the HSE's own research shows that stress counselling is of little value. Jogging in the lunch break or line dancing after work may reduce stress, but will not tackle the cause.

As has been flagged up by my hon. Friend the Member for Hendon (Mr. Dismore), most Members of Parliament are employers of one or more full-time staff, or the equivalent. We must take responsibility for ensuring that we have regard to the occupational health and safety needs of our staff.

The HSE issues guidance on stress reduction, but a joint Transport and General Workers Union-university of Manchester institute of science and technology survey a few years ago sadly found it to be totally ineffective. The Trades Union Congress, trade unions and many other organisations want a specific workplace stress law that is enforced. I understand that the CBI is not in favour of that proposal, or even of a weaker HSE-approved code of practice on workplace stress. I hope that the Government will end that deadlock, legislate and make progress with all interested parties so that we can have measures that will be effective in reducing workplace stress. That would not only reduce human suffering, but cut national health service costs and improve United Kingdom productivity.

Earlier, I flagged up the issue of health and safety representatives. As a full-time trade union officer for 20 years, one of my key objectives was to raise employee awareness of health and safety issues. I believe that trade union-appointed safety representatives have a crucial role in that regard, and in taking up concerns with employers.

[Mr. Ian Stewart]

Many employees on short-term contracts—who are part-time and in small workplaces, or who may be getting older and are simply too frightened of losing their jobs—will not complain to their employer about hazardous workplaces. There are now 200,000 trade union-appointed safety representatives under the auspices of the Safety Representatives and Safety Committees Regulations 1977, but only 50 per cent. of the work force is covered by such representatives.

In my Adjournment debate in May, I asked the Government to consider the introduction of roving safety representatives, as there are in Sweden. The Minister gave me no commitment on that point, but said that the arrangements for health and safety consultation should be reviewed, and that that review should also consider how the role of such representatives could be strengthened. It was suggested that the Health and Safety Commission would carry out the review. I am concerned because I have heard through the grapevine that the commission and the Health and Safety Executive are still awaiting a referral from the Minister before they start the review. I hope that the new Minister will be able to confirm that such a referral is in hand.

Finally, I understand that, at the climate change conference initiated by the Trade Union Congress last week, a related question was put to the Deputy Prime Minister, who was asked to extend the health and safety responsibilities of trade union representatives to include the environment. I have heard through my efficient grapevine that he has agreed that that should be considered as part of the general review. I hope that the Minister agrees with him and I look forward to the review being established. I also hope that it will produce early proposals for improvement.

10.40 am

Mr. Bernard Jenkin (North Essex): First, I join hon. Members in congratulating the hon. Member for Barnsley, West and Penistone (Mr. Clapham) on obtaining this debate. He spoke with knowledge and passion on his subject and raised a number of questions and we look forward to hearing answers from the Minister—questions about consultation with the Health and Safety Executive in the workplace, the future of asbestos and the HSE's role with regard to safety representatives in small and medium enterprises. The hon. Gentleman also wanted the Minister to impress on the HSE the need for a complete overhaul of accident reporting and follow-up procedures. I trust that the Minister will deal with those points and I shall not use this occasion to ask him about the health and safety of planning offices in north London, but will congratulate him on his appointment.

The debate has been extraordinarily one-sided. Of course, health and safety in the workplace are important, indeed, vital issues. The record of both the main political parties on health and safety is good and the Health and Safety at Work, etc. Act 1974 represented a consolidation of measures that had hitherto been adopted under Governments of both parties. Health and safety legislation has developed considerably since that date—many of the developments took place under the previous Conservative Government.

This Government inherited a Health and Safety Executive with 4,000 employees, which is about one for every 15,000 employees in the workplace and compares favourably with the situation in most of our European competitor countries. One reason why the then Prime Minister Margaret Thatcher so favoured the Single European Act was because she thought that similar health and safety provisions to those that we were imposing on our industry should be imposed in other European Community member states.

The Labour Government inherited a good record. In the last 10 years of Conservative Government, the number of deaths in the workplace halved. In 1997, there were 249 fatalities, compared with 1,310 in Germany in the same period. So, we have a good record and a good Conservative tradition on health and safety. In debates, when Conservatives object to a health and safety measure, Labour Members often argue that we would still be sending children up chimneys, but it was a Conservative Government who introduced the law to stop that in the first place. Let us hope that we can consider this matter on an all-party basis rather than in such a one-sided way.

The hon. Members for Barnsley, West and Penistone and for Eccles (Mr. Stewart) mentioned stress in the workplace and how it causes absenteeism. Stress can be caused by low morale, low productivity and poor management, which are all concerns with which we want to deal as well as health and safety. However, nothing causes greater stress and unhappiness than being unemployed. People without jobs are generally much more stressed than those with them. The great danger of becoming over-enthusiastic about health and safety legislation is that we can create over-regulation. We can all think of wonderful new contexts for creating rules, but all parties must understand that there are limits to their reasonableness and that it is far more difficult to undo unnecessary burdens on business than to impose them.

We have had our share of ludicrous extremes; for example, the general thrust of regulations to control substances hazardous to health in the workplace was good, but we ended up with office workers having to keep a register of Tippex supplies as it was classed as a hazardous substance. That is a case of taking health and safety regulations to extremes.

The gold plating of European Community directives is an ever-present problem. The hon. Member for Hendon (Mr. Dismore) mentioned the manual handling directive, which gives no guidelines for the weights that it is safe for people to lift, so our civil servants had to invent some. One effect of the directive was to reduce the maximum size of a bag of plaster from 40 kg to 25 kg. Most people were capable of lifting 40 kg, but 25 kg is now deemed to be the safe weight and as a result many workers now carry two bags at once, which makes 50 kg. The regulation has not only been costly to the industry, which had to re-tool to enable it to fill the different size bag with plaster, but has turned out to be counter-productive, as it has encouraged people to carry heavier weights.

The health and safety at work regulations of 1993 were intended to reflect an EC directive and require written risk assessments. There has been much talk of such assessments, but the bureaucracy of every business having to undertake them, when they might not obviously and instantly be necessary, underlines how we have added bureaucracy and burden to industry. The deregulation task force was designed to deal with such

excesses, but had hardly begun its work before the new Government were elected and decided to change it for a better regulatory task force.

There are plenty of examples of absurd regulation and of matters being taken to an extreme. One case concerned a boy who used to earn £20 a week helping a milkman. That was stopped when the milkman received a warning letter from the local authority telling him that he would be fined £1,000 if he did not stop employing the boy. In another case a man was refused a job because he was too tall. The basis of the decision was concern for his back because of the health and safety regulations, but he won his case of unreasonable dismissal on the basis that men are taller than women and therefore it was sexual discrimination. The danger of over-regulation is that it is a feast for the lawyers, such as the hon. Member for Hendon, but costs everyone else a great deal of money.

The sick leave bill for the public sector, which is about £3 billion a year is not helped by the fact the Occupational Health and Safety Bureau has one of the worst records.

The working time directive, which we debated earlier this session, is another example of excessive regulation. It is completely alien to the British traditions of freedom and voluntarism in the workplace and will add up to £2.3 billion to business costs. Once again, the regulation has been gold plated. As is inevitable, United Kingdom officials and courts will fill in the gaps in its drafting. The regulations are complex, imposing a huge administrative burden, which will affect some industries much more than others, in particular temporary and seasonal industries.

Will the Minister tell us how the case law of the working time regulations can be prevented from spreading to industries for which they were not intended? At the moment, the transport industry is excluded. The train driver is certainly excluded under the regulations, but what about catering staff on a train? Are they covered if they are employed by the railway company and do they remain covered if they are employed by a sub-contractor? Where is the certainty in regulations that are vaguely drafted?

The directive does nothing for the United Kingdom's competitiveness. It imposes huge costs and will curtail flexible working and harm job creation; it is bureaucratic and will encourage the black economy. Moreover, there was no real demand for it.

Do the Government recognise that the sheer volume and detail of much health and safety regulation represents an unreasonable burden on many businesses, particularly small businesses? What procedures do the Government have for assessing risk in the workplace, as the costs of regulation are so often out of all proportion to the risk? What will the Government do about the gold-plating of EC regulations and directives? Now that the Government have given up the United Kingdom's veto in social chapter matters, which are subject to qualified majority voting, how will they prevent the imposition of costly so-called health and safety regulations, such as the extension of works councils to small businesses?

The Conservative party is in favour of proper health and safety regulation. However, excessive regulation has rightly been described as a form of hidden taxation. Everyone wants a safe workplace—safe workplaces are in the interests of the economy as a whole—but a balance is needed, and that is far from being achieved.

10.50 am

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Mr. Alan Meale): I, too, congratulate my hon. Friend the Member for Barnsley, West and Penistone (Mr. Clapham) on securing this debate and I thank him for his kind remarks. I listened with considerable interest to his thoughtful contribution and to those of other hon. Members, including the hon. Member for Eastleigh (Mr. Chidgey) and my hon. Friends the Members for Keighley (Mrs. Cryer), for Wolverhampton, North-East (Mr. Purchase), for Hendon (Mr. Dismore) and for Eccles (Mr. Stewart). I also mention my hon. Friends the Members for Bolsover (Mr. Skinner) and for Midlothian (Mr. Clarke), who had to leave the Chamber to attend another meeting. I share my hon. Friends' concerns, which reflect many of my priorities.

The Government are firmly committed to high standards of health and safety in the workplace. The hon. Member for North Essex (Mr. Jenkin) may have claimed that the Conservatives stopped people putting children up chimneys, but it is fair to say that the Government are prepared to give health and safety a higher priority than our predecessors did.

The Health and Safety Commission and the Health and Safety Executive, which were established under the Health and Safety at Work, etc. Act 1974, have stood the test of time over the past 25 years. They have played a pivotal role in improving standards of health and safety in the United Kingdom, whose record is among the best in Europe.

The Government are far from complacent, not least because, in recent years, the UK's health and safety performance seems to have reached a statistical plateau. We need to put that across, if only as a way in which to achieve even better standards. We want the HSC and the HSE to be strengthened and given the resources that they need to be even more effective.

As my hon. Friend the Member for Barnsley, West and Penistone said, the most important issue is that of resources. In the current financial year, we provided an extra £4.5 million, restoring the cuts inflicted by the previous Government. Those resources have been targeted on inspection and enforcement by the executive, which is particularly important, as 75 per cent. of health and safety inspectors are on site during their working week. We have recruited 58 new inspectors and are in the process of recruiting a further 126. I shall also shortly be announcing a further and significant increase in resources for the commission and executive under the comprehensive spending review. I cannot yet give the exact figures, but the increase will be good news for health and safety.

I am keen to focus the health and safety agenda on areas that matter to people. The hon. Member for Eastleigh mentioned genetically modified organisms. The Government have announced the formation of a Cabinet Committee on biotechnology, to be chaired by my right hon. Friend the Minister for the Cabinet Office. I acknowledge the hon. Gentleman's concerns on this complex subject, which the Government are dealing with through that Committee.

My hon. Friend the Member for Barnsley, West and Penistone mentioned violence against staff. The Government made it clear in their human resources strategy for the national health service that violence and

[Mr. Alan Meale]

aggression against staff will not be tolerated. That strategy is essential, as recent figures show that NHS staff are three times more likely to be attacked than members of the public. In June 1997, the NHS executive issued guidance to NHS trusts on dealing with violence as any other health and safety risk.

In December 1997, my right hon. Friend the Secretary of State for Health and the chairman of the Health and Safety Commission launched the Health Services Advisory Committee guidance on the assessment and management of the risk of violence to staff in the health service. The guidance sets out a framework for action covering a range of control measures, including hardware and physical aspects of the premises, working patterns and practices, staffing levels and competence, training and the means to deal with accidents. It applies not only to hospitals, but to primary and community care, nursing homes, mental health and ambulance services.

The national plan of work for HSE inspectors identifies violence to staff as a key issue to be dealt with during in-depth inspections at hospitals and NHS trusts. HSE inspectors are prepared to enforce the necessary standards, as is shown by the fact that more than 30 notices on violence have been served in the health services since April 1996.

The health of people at work is a key element in the Government's strategy for public health. Far too many people suffer from ill health caused, or made worse, by their work. A recent survey suggested that 2 million people were affected, so an improvement in occupational health standards needs to be a top priority.

The HSE recently issued a discussion document on an occupational health strategy for the next 10 years. As hon. Members know, the Government are already addressing specific occupational health risks, including work-related stress and violence. We recognise that such problems are very distressing to those affected.

We are determined to ensure that work-related violence is tackled effectively. I am seeking advice from the Health and Safety Commission on what can be done on that issue, about which I feel particularly strongly. The HSE is exploring how best to tackle the matter through a committee involving Departments, the TUC, the Confederation of British Industry, the Federation of Small Businesses, Victim Support and, of course, the Suzy Lamplugh Trust. The Cabinet Office women's unit is also developing a strategy.

My hon. Friend the Member for Barnsley, West and Penistone chose an appropriate day to mention stress, as today is international stress awareness day. It is estimated that 500,000 people suffer from work-related stress, anxiety and depression. My hon. Friend rightly drew attention to the scale of the problem, which the CBI estimates to cost between £7 billion and £9 billion a year; it is also estimated that businesses pay out about £300 million a year in compensation claims. I recently launched HSE guidance on work-related stress aimed specifically at small firms. Moreover, the HSE will campaign to ensure that work-related stress is regarded as a legitimate health and safety issue. The HSC will shortly be considering the feasibility of an approved code of practice.

Of particular concern to many people are the stresses of bullying and harassment.

Bullying is totally unacceptable and is strongly condemned by the Government. I assure my hon. Friend the Member for Barnsley, West and Penistone that we are consulting further on the problem and that I will keep him informed of developments.

Many hon. Members have expressed concern about asbestos. I pay tribute to my hon. Friend the Member for Tooting (Mr. Cox), who has been deeply involved in trying to find a solution. The Government's desire is to tackle new occupational health risks, and we have given a clear commitment on that, but we are also determined to tackle the appalling legacy of asbestos. The Health and Safety Commission has recently held consultations on a package of tougher measures to provide better protection for those who may be exposed to asbestos at work.

I will continue to keep hon. Members informed of developments, and especially my hon. Friends the Members for Barnsley, West and Penistone and for Tooting.

Police (Community Relations)

11 am

Dr. Vincent Cable (Twickenham): A great deal has happened since our annual debate on the Metropolitan police: notably, the Lawrence inquiry and the Government's response last month concerning ethnic minority balance in the police. It is extremely important for Parliament to have an opportunity to review the issues. The fact that we are having this debate reveals the lack of suitable accountability for police matters, especially in London. I hope that that will be remedied in due course by the new structure of London government.

Events surrounding the Lawrence inquiry are in many ways the starting point. We await the findings, but what has already happened has been immensely powerful. Those of us who attended the inquiry found it very moving and influential. There was an enormous emotional impact on the audience and on the police. I congratulate the Home Office on moving quickly, but, unfortunately, other cases, such as the Menson case, are now coming into view.

The issue of racism and the police has been around for a long time—the Scarman inquiry occurred nearly two decades ago—and there is a danger of our relapsing into weary cynicism and saying that the problems will always be with us. Racially motivated whites and more cynical blacks will say that nothing can or will be done, but that is quite wrong.

It is important that we note how much the context has changed. Anyone from an ethnic minority or with a racially mixed family background will know that there has been a big change over the past two decades. There was a tremendous climate of fear in the late 1960s and early 1970s, with the Powell speeches, the marches and their aftermath. There was a fear of riots after every Notting Hill carnival, but the atmosphere at the carnival has now changed: there is great self-restraint on the part of the police and the participants, and the management is much more professional. Many people from ethnic minorities are doing well in the education system and the professions. But we also now have a second or third generation of people who will not in any circumstances accept second-class treatment, humiliation, discrimination and insult. The police, too, have moved on, but not as fast. Many who joined the police two decades ago did so in an environment with a different culture and much lower expectations.

The police are criticised for sins of omission and of commission. Sins of omission include the failure adequately to understand the extent to which ethnic minorities are victims of racially motivated crime. My hon. Friend the Member for Sheffield, Hallam (Mr. Allan), who is my party's spokesman on these issues, will develop the subject in more detail, but it is worth while sketching the key point that Home Office statistics show that, in any one year in Britain, 4 per cent. of black people, 8 per cent. of Bangladeshis and Pakistanis and only 0.5 per cent. of white people are likely to have been victims of racially motivated attacks.

Those may seem low figures, but over 10 years they mean that roughly half the ethnic minority population will have been on the receiving end of a racially motivated attack. I have been trying through parliamentary questions to establish the underlying trend. I had a helpful answer from the Home Office in April, suggesting that racially motivated incidents—which are not the same as assaults, but comparable—have increased by about 40 per cent. in the past five years. That may be partly because of improved recording or greater openness about disclosure, but it suggests a worrying rising trend. Surprisingly, the increase in incidents is most marked not in inner cities—apart from the east end of London—but in outer suburbs, such as the one that I represent. Black and Asian people in London feel that they are the victims of racial attacks and that the police are not sufficiently sensitive, aware or willing to react quickly. That is the origin of the Lawrence and Menson cases.

Bias is one of the sins of commission of which the police are accused. The statistic that is always cited is that young black Londoners are eight times more likely to be stopped and searched than whites. I know that that is a headline figure, that glosses could be put on it, that academic research shows that the story is complex and that the police are monitoring the situation carefully, but it is a striking figure.

Most of us will have heard from friends or constituents about the experiences of perfectly law-abiding black and Asian members of the community. One often sees black drivers of flash cars surrounded by police who have stopped them to look at their particulars. My noble Friend Lord Dholakia has a rather generously endowed saloon car. He reports being stopped on several occasions, culminating in being stopped by the police when he was on his way to address chief constables at a conference on the police and race. After several hours of embarrassment, he had to be given a motor cycle outrider escort to get him there in reasonable time. The police themselves are increasingly aware of such problems, but those problems continue to create enormous discord and resentment.

The Commissioner of Police of the Metropolis and other chief constables have had to consider whether they should acknowledge a phenomenon known as institutional racism. I have thought about the matter at some length, and I do not think that it is merely a semantic quibble. I think that the Commissioner is right not to go down the route, followed by the chief constable of Manchester, of accepting that institutional racism is endemic in the police. He is right to acknowledge that there are severe shortcomings, but to admit institutional racism is to send a signal that all police are racist, which cannot be helpful either for the integrity and morale of the police or for public confidence; nor is it correct.

The police have acknowledged that there are unacceptable practices. One of those is stereotyping, which not only is bad in itself, as a manifestation of prejudice, but leads to serious misjudgments. One of the clear lessons that has already emerged from the Lawrence inquiry is that the police were completely thrown when confronted with a middle-class black family with professional aspirations and a son who was academically gifted and wanted to go to university. They made all the wrong assumptions when initiating their inquiry.

The police must also acknowledge, and stop, the practice of supervising officers turning a blind eye to racist language, expressions of prejudice and the so-called canteen culture. It is widely known to exist in the police force as it does in all sections of the community, but supervising officers must ensure that it is not tolerated.

[Dr. Vincent Cable]

Whether it is called institutional racism or something else is not central to the issue, but it is important that the deficiencies are acknowledged and dealt with.

I shall deal now with solutions and the way forward. There is clearly a time and a place for retrospective inquiry, but the key test is what is now done. The first issue to address is whether any advantage is served by demanding that senior heads roll in the police force. Some people argue that it would help to alleviate the present situation if the Commissioner of Police of the Metropolis were to step down. As in the case of institutional racism, I do not believe that such a token gesture would be appropriate. I do not know the gentleman concerned well enough to judge his professional abilities, but a token PR gesture would not be helpful. The Lawrence inquiry will produce recommendations as to who is ultimately responsible, but resignation is not the way forward. The Commissioner has made some significant improvements in police practice and should be given an opportunity to see them through.

The key to the problem is recruitment, and the Government have recently made a strong statement on that matter. We start from a striking disparity, certainly in London, between the ethnic minority population, of some 20 per cent., and its representation in the police, which is about 3 per cent. The situation is changing at the margin, because some 6 per cent. of recruits are from ethnic minorities, which is a sign of improvement. It is right that the number of ethnic minority policemen should not mechanically reflect their share of the population, but it should approximate to it and be seen to do so. The ethnic minorities should also be represented at all levels in the police, although I recognise that the issue is not a straightforward numbers game. It is important that ethnic minority police officers are seen to be promoted on grounds of ability and merit, and not simply for token reasons.

It is also important that we consider the context in which police recruitment takes place. I get a sense from talking to police officers and the Police Federation in London that the police face a severe recruitment crisis. The problems surrounding pay and conditions, especially housing, greatly affect the context in which recruitment takes place. It matters whether ethnic minority policemen are recruited into a force with high morale and where there is competition for places, or into a force that is demoralised and relatively easy to enter. It is the Government's responsibility to ensure that the context is correct.

A further area for change must be training. It is an old issue, which was raised by Scarman, but not much has happened since. I am told that training in London has been subject to economy cuts. Indeed, one of the most shocking facts to emerge from the Lawrence inquiry is that senior police officers did not get training in ethnic minority issues or even in murder inquiries. Corners have been cut in training, and that is causing considerable damage. I notice that the guidelines recently issued on training in the magistracy are sophisticated, useful and more advanced than those for the police. Perhaps lessons could be learned from that.

Changes are needed in disciplinary proceedings. Over past decades, there have been arguments about where the balance should lie in police complaints and disciplinary action. In the past, the assumption has always been that one should lean in the direction of the police officer who faces an accusation because of the double jeopardy problem, but the present context, especially in London, means that a different approach is required. Indeed, the Commissioner of Police of the Metropolis has already demonstrated a willingness to take a much tougher and more open approach to complaints and subsequent disciplinary action.

My final point brings us back to the role of Parliament and the difficulties of establishing proper political accountability for the police, especially in London. It is striking that the Metropolitan Police Committee, which was established as a watchdog for the Metropolitan police, has been silent during the recent controversy. We have not heard a peep from it. Why does it exist? It should be acting as a shock absorber between the Metropolitan police and the public and politicians. Until the new structure of London government is established, that committee should undertake a much more active and politically aware role.

I thank the House for its indulgence and I look forward to the contributions of other hon. Members and the Minister's reply.

11.14 am

Mr. Clive Efford (Eltham): I congratulate the hon. Member for Twickenham (Dr. Cable) on initiating this debate and I welcome the opportunity to discuss the issue, although we will need a more detailed discussion once the inquiry into the death of Stephen Lawrence and its aftermath has published its report. As hon. Members are aware, I represent the constituency in which Rohit Dugahl and Stephen Lawrence were murdered. I was not the local Member of Parliament at the time, but I was a resident and represented the council ward where the murders took place.

It is fitting to start by paying tribute to Mr. and Mrs. Lawrence, who have conducted themselves with exemplary dignity throughout the time since the murder of their son. Many of us, faced with similar circumstances, would not have been able to remain as composed as they have been, especially while being forced to watch the murderers of their son go free.

The effect of the murders on my constituency has been dramatic. In the years that followed Stephen's brutal murder, numerous reports have depicted Eltham as an area where black people exist in constant fear and racial attacks are an everyday occurrence. I would not wish to suggest that there are no racial attacks in Eltham or that no racists live in the community, but much of the criticism was caused by the myth of a wall of silence which thwarted police in their inquiries.

All those involved in the case of Stephen's murder, including those who were well informed, assumed that the investigation failed because of a wall of silence in the local community. That has been proved to be inaccurate and the report of the Police Complaints Authority, published last December, clearly demonstrated that the police were in possession of evidence that should have allowed them to make arrests within the first 24 hours following Stephen's murder. Evidence given to the inquiry—I shall not elaborate on it now, because we will have opportunities to do so once the report is published—also clearly shows that the police could have made arrests in that time. Unfortunately, the media continue to focus on Eltham based on that myth and are no longer interested in the facts.

The effect is to create an image that black people living in other areas do not have a problem with racism. No consideration is given to the effect on black people in Eltham. Many of the problems that they now face arise from the notoriety of the case, and racists in the area even feel empowered by it. Many local people are greatly concerned and I have initiated discussions among community groups to try to tackle the problem and examine the problems that black people face living in a predominantly white community. We must challenge the feeding frenzy that the media has had on race relations in Eltham.

In spite of the encouragement given to the racists by the manner of some of the media reporting, racial incidents are at a relatively low level in my constituency. I hope that this debate will begin to help people to understand that racism must be challenged everywhere, not only in Eltham. We must also recognise the crucial role to be played by the police in that process. We live in a multicultural, multiracial society and we have to strive for more awareness and greater understanding, so that people can appreciate another person's racial background instead of fearing it as a threat. Do we want to live in a society in which every parent fears that his or her children might be isolated and confronted by a group of people who just happen to have a different-coloured skin? Black or white, we all have a duty to address that issue. To fail to do so would be to gloss over the problem. We must accept that the problem is not just in the police, but in the whole of society. The police force merely reflects the community from which serving officers are drawn.

I do not accept Sir Paul Condon's statement that there is no institutional racism in the police. Most black people would say that that accusation can be made accurately against virtually every institution that is almost exclusively white. It would be remarkable if there were no racism in the police. Racism, in whatever form exists in the police force because it exists in our society. The minority of police officers who are racist harboured those feelings when they went in; it was not a matter of their becoming racist because they had joined the police. Sir Paul Condon should not regard recognition of that fact as a personal failing on his part. Nor should it be seen as an attack on each individual police officer. Only when we recognise the symptoms can we begin to address the problem.

Some may ask whether there is a problem. I believe that there is. The 1997-98 report of the Commissioner of Police of the Metropolis includes figures on the use of police powers under the Police and Criminal Evidence Act 1984, giving the number of people searched and the number arrested as a result. Of the total of 336,692 searches, 41 per cent. were non-white. Non-whites make up 20 per cent. of London's population. Of those searched, 26 per cent. were black and 9 per cent. Asian. The arrest rates do not justify the disproportionate attention paid to those sections of the community. The arrest rate among the white community was 11.26 per cent. Among the black community, it was 11.65 per cent, and among the Asian community, 9.14 per cent.

Similarly, under the powers of the Criminal Justice and Public Order Act 1994—an Act used in anticipation of serious violence—a total of 3,992 people and vehicles were searched, of which a staggering 2,681 were Asian, while 653 were black and 554 white. Some 83.52 per cent. of persons arrested in anticipation of serious violent crime were black or Asian. The Metropolitan police were kind enough to try to explain the figures, giving me an area-by-area breakdown. I shall not give the detailed figures, but they pointed to serious problems with policing in specific areas, and to the unjustified use of powers to intimidate one section of the community.

Scotland Yard commissioned a working group, including representatives of the Commission for Racial Equality, the National Association for the Care and Resettlement of Offenders and the Home Office, which concluded that there was wide variation in the application of powers between ethnic minorities. The group concluded that only 10 per cent. of searches resulted in arrests, and that black people were four times more likely than whites to be stopped. Those are national figures; I accept that the hon. Member for Twickenham has figures suggesting that black people are eight times more likely to be stopped in London, but nationally an innocent black person is four times more likely to be stopped by the police than an innocent white person.

A recent report by Statewatch—"Stop and Search and Racism"—strongly supports the allegation that black people are subject to discrimination in the use of those powers. The Stephen Lawrence inquiry has demonstrated the crucial role of the police in race and community relations. It is up to hon. Members, and others, to ensure that institutions such as the police set standards for others to follow. To achieve that, we must have transparency, and complete statistics for effective monitoring.

Police forces have done a lot to increase racial awareness among officers, and that must be applauded. The racial incident unit at Woolwich police station is an example of best practice. There is great determination in the police to tackle racism, and that must be encouraged. However, those who seek to drag their feet over any of the recommendations of the Lawrence inquiry should know that that will not be tolerated. Action must be taken.

A strategic review of national police training is due to report early next year, and I hope that it will be able to consider the report of the Stephen Lawrence inquiry before it does so. Can the Minister confirm that it will? Police racial awareness training needs to be thoroughly reviewed so that its effectiveness can be assessed. Vetting of candidates to become police officers also needs to be introduced. I have been unable to find a single example of a police recruit being dismissed by the Metropolitan police because of inappropriate opinions regarding race. We all know that racist police officers exist, and those officers who are determined to serve the whole community have their jobs made more difficult by our failure to protect them from such individuals, and from the canteen culture.

The community has a right to demand that the police exhibit exemplary behaviour and attitudes towards racial awareness. We all grew up in an era in which the police were held in high esteem. A police officer was someone whom young people were encouraged to look up to. Few people would put the police in that category today. We must begin to restore the confidence of the whole community in the police if we are to begin to eradicate racism from our society.

11.24 am

Mr. Andrew Robathan (Blaby): The debate has so far been about the Metropolitan police, and I well understand the concentration on the Lawrence inquiry.

[Mr. Andrew Robathan]

However, I wish to speak about Leicestershire police. I have just completed the police parliamentary scheme, as has the hon. Member for Birmingham, Hall Green (Mr. McCabe). I did mine with the Leicestershire police, and I found it extremely illuminating. The scheme would offer a valuable opportunity for members of the Select Committee on Home Affairs to experience what happens in the police—both good and ill. I worked with a large number of officers in Leicestershire, some of whom were Asian or black, although the majority were white. My overriding impression is that they were employed because they were good police officers. They were there on merit.

Recruitment is much remarked on. In Leicestershire, more than 4 per cent. of the force comes from the black or Asian communities. Approximately 9 per cent. of the population of Leicestershire as a whole come from ethnic minorities. The county has, I believe, one of the highest proportions of black and Asian recruits, although this year, sadly, not one ethnic recruit has passed through the training. Some joined, but they did not succeed. I asked the chief constable on Friday what could be done about that. He told me that there was a recruiting department and a recruiting officer who specifically tries to encourage ethnic minorities to join the police force. The officer goes two steps further with ethnic minorities than would be gone with other groups. He promotes the force as a good career, using Asian radio stations, local ethnic minority magazines and visits to colleges. There is a recruiting stand at functions at which there are large gatherings of ethnic minorities, particularly employment fairs. The officer goes as far as he can to encourage people, but he cannot compel them to come in off the highways and byways to join the police.

The hon. Member for Eltham (Mr. Efford) spoke about a canteen culture which deters good people from ethnic minorities from joining the police. There has certainly been such a culture among the police. I remember working with the Royal Ulster Constabulary 10 years ago, and some of what I heard made my hair stand on end, despite the fact that no one has ever accused me of being lily-livered or liberal. The same was true of the Metropolitan police 12 years ago. I hope that things have changed there, and in the RUC, as they have in Leicestershire.

Let me tell one story about Leicestershire that suggests that there is no canteen culture there to deter good people. In about 1993, the chairman of the police authority in Leicestershire, Baljit Singh—presumably of Sikh extraction—was a Labour councillor. He resigned as chairman and as a councillor. He then joined the Leicestershire police, where he is now a sergeant. From his position as chairman, he certainly did not see a culture that deterred him from joining the force.

I worked with officers at all levels during my four weeks at Leicestershire, and I learned the interesting lesson that racism was not an issue. I worked in Highfields, predominantly an Asian area in which the few white people are the minority. We talked to Rastafarians who had convictions for pushing drugs. There were suspicions that one or two might have been pimps. They had not been convicted for that, but it seemed that way. We talked to whites who were criminals. We dealt with the victims of crime—both Asian and white people. It seemed to me that the police officers made no distinction—they really did not in what I saw of them—between people of different races. Certainly, the Asians with whom I dealt seemed to have total confidence in the police; they turned to the police when they wanted help.

Leicestershire makes great play of community relations. I visited a large school in Leicester called Moat community college, where the white people are the minority ethnic group. The headmistress is an Asian—Freda Hussain. I was very impressed by everything that she said. She certainly was not anti-police. She had her criticisms, but she was very much on the side of the police. The police inspector with whom I went to school was very much on her side, as he tried to run a good relationship with the school and the large number of young people there.

The Leicestershire police are working at race relations. They make a tremendous effort and, from what I saw, their strategy seems to be working. They set up the first—it may still be unique—police advisory group on race issues, or PAGRI. The group includes members of the local Commission for Racial Equality, community leaders and others involved in race relations. A steady and sensible policy has been produced. I pay tribute to all involved in that. Race seems to have been deflated as an issue both among the police and within communities.

I found decent people of whatever colour working as police officers and trying to do the best job that they could in difficult circumstances. Of course there are problems of race relations, as there are in other sectors, but the last thing that Leicestershire or any other force need is a quota. I have to say that targets are very close to being the first cousin of quotas. The hon. Member for Twickenham said much the same thing. He said that we did not want mechanically to reflect the exact make-up of a community. It may be that the proportion of police officers from the ethnic minorities could be higher than that in the community, but that is to be encouraged.

I was disturbed to hear the Home Secretary say that heads would roll if improvements were not made. As the chief constable of the Leicestershire police said to me, what is he to do if he cannot compel people to join the force? Quotas would be insulting to the excellent officers of all ethnic backgrounds. As the hon. Member for Twickenham, with whom I might disagree on one or two things, said, suspicion would inevitably arise that someone had been promoted because of his or her colour. That would be a terrible thing and it would be an insult to the good black and Asian officers in Leicestershire and elsewhere.

What I saw in Leicestershire sets an example to other police forces. Certainly the Met has its problems. I learned something about good race relations, and I congratulate all officers in that force on their sensible and positive attitude.

11.32 am

Ms Jean Corston (Bristol, East): I congratulate the hon. Member for Twickenham (Dr. Cable) on his success in securing today's debate on an extremely important subject. It is timely for me because the Lawrence inquiry is sitting in Bristol this week. One of the purposes of that is to learn from some of the pioneering work that has been done in Bristol to further the interests of community relations in our city, which has a troubled history. The riots that led to the Scarman report happened in Brixton,

but also in St. Paul's in Bristol, which is in the constituency of my hon. Friend the Member for Bristol, West (Valerie Davey). My constituency of Bristol, East has the highest number of black and Asian residents of any city in the south-west.

I am pleased to say that the evidence is that the police force in Avon and Somerset, focused on the central police district and Trinity road police station, which is in my constituency, has learnt some very important lessons arising out of the Scarman report and the challenges of policing a multicultural area.

The establishment of the Lawrence inquiry does great credit to our Home Secretary. Many people like me were utterly appalled that many people in the police forces seemed to be in denial about what had happened. The hon. Member for Twickenham and my hon. Friend the Member for Eltham (Mr. Efford) referred to the fact that here was a young man who wanted to be an architect and, on the face of it, had every chance of doing so, who came from a stable, secure, middle-class home, and who was murdered on the street. Apparently, his family were initially treated by the police as "another black family". We have to acknowledge the roots of this terrible conflict and tragedy. That is what I hope and believe that the Lawrence inquiry will do.

Trinity road police station and the central policing district under Superintendent David Warren have produced guidance for the police about policing a multicultural community. They have recently published a booklet. That may sound a small thing, but it is invaluable in training people to deal with those who come from different family and cultural backgrounds. For example, it says that an officer wanting to arrest an Afro-Caribbean man should not lay a hand on his arm in order to do so because, culturally, that is one of the most threatening things that someone can do. It says that, if people do not look you in the eye when they are talking to you, it does not mean that they are shifty, but often means that they come from a cultural background in which to look someone in the eye is disrespectful and rude. If a woman has had an arranged marriage, that does not mean that she is stupid or backward, but that she comes from a different type of family structure. The booklet is full of useful and practical advice for policing in a multicultural area. I have conveyed that advice to my colleagues in the Home Office and I commend it to other police forces in similar areas.

Other hon. Members have referred this morning to institutional racism. It is difficult for any organisation or individual to acknowledge thoughts or actions that betray a feeling or belief that another person is in some way inferior. Institutional racism has a mirror image in institutional sexism, which is also difficult for any organisation to confront.

After 20 years or more of saying that we wanted more women Members of Parliament, the Labour party was brave enough during the previous Parliament to confront the fact that, while the party did not intend to be sexist, many of the things that we did at local and national level discriminated against women in the selection procedure. The evidence is here most days of the week in that we now have more than 100 women Members of Parliament. It is not an easy task to eradicate sexism. I notice that the hon. Member for Tunbridge Wells (Mr. Norman), the deputy chairman of the Conservative party, is beginning to examine such matters in that party. Similarly, the police cannot escape that process.

Institutional racism does not mean that police officers are plodding the streets with racist thoughts or intentions, but it can mean that a culture has developed within which assumptions that lie behind the way in which an officer deals with people betray a racist attitude. Often, it is not intentional. One of the definitions of discrimination in the Race Relations Act 1976 and the Sex Discrimination Act 1975 is indirect discrimination—something that is not intended to discriminate, but in practice does.

There are lots of ways in which institutional racism can work. One of the most obvious is for people to see a 21 year-old black man driving around in a BMW and not to assume that he nicked it—an assumption that can be made. My hon. Friend the Member for Leicester, East (Mr. Vaz) recounted to an audience in the Grand Committee Room several years ago during a lobby on the Asylum Bill how during his first year as a Member of Parliament, he was stopped not far from here by a police officer and called "sonny".

We have to acknowledge that such things happen. It is pointless for people to say that institutional racism means that every single police officer is racist, or, if the chief constable of Greater Manchester police acknowledges that that is a fact, but the Commissioner of Police of the Metropolis says that it is not, for one to be set against the other. The best service that we can provide to society is to say that we have to examine the roots of the problem and try to deal with the consequences.

One thing that we have to do is accept the racial nature of certain crimes. That is obviously relevant to the Lawrence case, but all of us who represent multicultural areas can tell of crimes that appeared to be racist in nature, but were not accepted as such. Such cases can reinforce the sense of racism and make the policing of multicultural areas even more difficult. They can also deter recruitment to the police force among ethnic minorities, because people do not want to spend their working lives as "tokens"—there to be the exception to what appears to be a universally accepted rule.

In Bristol, there is an organisation called Support Against Racist Incidents—SARI—whose office is in my constituency and which has been praised by many individuals and organisations. It works closely with the police, as do all the community and voluntary groups in the central Bristol policing district. Through its work, SARI spreads public information about the nature and the effects of racism. In parts of my constituency, there have been the most appalling racist crimes and incidents. At every event or open day—for example, those run by the local housing services—SARI has a display highlighting the sorts of racist graffiti, violence and criminal damage that occur in Bristol.

SARI offers practical support to victims of racist crime and its role now extends beyond Bristol to Yeovil and Devon; however, its ability to provide such a service is at breaking point. I have told Ministers how important it is that SARI's work and that of similar bodies should be centrally funded, not only because local funding puts a great strain on local authority resources, but because such work is needed nationally. The hon. Member for Blaby (Mr. Robathan) referred to a similar organisation in Leicester. Such bodies not only command the enthusiasm,

[Ms Jean Corston]

support and confidence of the black and Asian communities, but do a great deal to support the work of the police.

We should look for ways in which to eradicate the barriers to the recruitment of black and Asian officers, who could do a great deal to strengthen our police forces and increase public confidence in them. It is in our long-term interests to confront racism and to point out to white people who are racist that they are claiming to be superior to people such as Nelson Mandela or Jessye Norman. I often recall the words of R. H. Tawney, that there will be equality only when high jinks in Mayfair are treated in the same way as drunk and disorderly in the east end of London. We have to take the same attitude toward racism. If a young black man is driving a BMW, perhaps we should assume that it belongs to him.

11.43 am

Mr. Peter Brooke (Cities of London and Westminster): I am delighted to follow the hon. Member for Bristol, East (Ms Corston), as our debate has gained from having been extended beyond the Metropolitan police district. It was kind of the hon. Lady to refer to Mayfair, which is in my constituency, in the closing paragraph of her speech. I congratulate the hon. Member for Twickenham (Dr. Cable) on having given us the opportunity to debate this important subject. Finally, I welcome the Under-Secretary of State for the Home Department, the hon. Member for Vauxhall (Kate Hoey); it is happy for us that she is a fellow London Member of Parliament.

Like my hon. Friend the Member for Ryedale (Mr. Greenway), one of my cousins once served in the Met. I should briefly declare a few interests. When I served on Camden council, I was chairman of the Camden committee for community relations. In the aftermath of Lord Scarman's report, police-community consultative groups were set up in the City of Westminster, as elsewhere. There are three groups: one in south Westminster, one in the central and west end area and one in Paddington. In addition, there are two sub-committees: one on homelessness and one on licensing.

I gather that there is a widespread opinion in the Met that those groups work well. That was corroborated when I appeared before Chris Patten's commission on the future of policing in Northern Ireland, which considered the use of community committees there. I met the Patten commission because the Select Committee on Northern Ireland Affairs, of which I am Chairman, published a report earlier this year on the recruitment, composition and training of the Royal Ulster Constabulary. There are obvious parallels between the question of minority recruitment to the RUC and the issues that we are debating this morning.

When he was a silk, my brother, who is now a lord justice of appeal, was briefed to appear for the coroner on a rerun of the Deptford inquiry. There had been a motion that the first findings of the coroner's court be quashed and the case heard again. My brother says that it was one of the most difficult cases he ever had to take in court because, although he had to win the case for the coroner, who was his client, and ensure that there was no rerun of the case, he was conscious that the parents of those who died in that infamous fire in Deptford were troubled that they might not have received justice at the earlier stage. He had to tread a very narrow line—to win the case, but to make sure that, by its end, the parents felt that it had been properly conducted and that the circumstances of their children's deaths had been properly explained.

My brother was well chosen for that role by central casting. In the 1960s, he had been unexpectedly recruited by a combination of Lord Denning and Lord Constantine—better known as the electrifying West Indian cricketer Learie Constantine—to improve opportunities for ethnic minorities at the Bar. He has latterly been involved in the arrangements for training judges to deal with ethnic matters.

I did not get hot and bothered when the Commissioner, in publishing the crime statistics not for this year but for a previous one, drew attention to the fact that there were a considerable number of convictions among members of ethnic minorities. The Commissioner's role was descriptive, not evaluative; he was simply indicating one of the issues with which the police have to deal.

Westminster's crime rate is much higher than that of the rest of the Metropolitan police district because of the enormous number of people who come into Westminster every day and who constitute a target for criminals. In my constituency, if I shake the hand of someone on the street during a general election campaign, I have a one in 12 chance of shaking the hand of someone who has the right to vote for me. However, anyone whose handbag or wallet is taken on Oxford street, in Soho, or anywhere in the west end, will be quite clear as to who committed the robbery, so I do not think that Sir Paul Condon erred in drawing attention to that.

I agree with those hon. Members who spoke about the sense of outrage that totally innocent people feel when they are stopped by the police while going about their lawful business. On one occasion when driving around Ashley gardens, where we used to live, looking for a residential parking space, my first wife was stopped by the police. They clearly believed that she was a prostitute cruising for business, and she was spreadeagled against a wall. It is ironic that all this happened in my own constituency. Neither she nor I made any public or private reference to that, but 15 years later, it is worth mentioning the event because such incidents do happen and those to whom they happen feel considerable outrage. I share the sympathy that has been expressed for ethnic minorities.

One of the experiences of the Select Committee on Northern Ireland Affairs, which in this Parliament has set its face to controversial issues, is that, as soon as we set up an inquiry, the body that we are investigating sets up a matching internal committee, often independently staffed, to consider the same issue. I welcome that, and I am delighted that the Metropolitan police are carrying out their own research, as the hon. Member for Twickenham said.

Other hon. Members have referred to the importance of recruitment. I shall not dwell on the parallels with the Territorial Army, which we have been discussing over the past fortnight, but, because this is a separate debate, I shall record again the statistics for the Royal Green Jackets volunteer arm in London. Twenty per cent. of its members are from ethnic minorities, against 1 per cent. in the Army as a whole. In Mayfair, which was mentioned by the hon. Member for Bristol, East, 43 per cent. of the cadets at the

Royal Green Jackets' depot and drill hall are from ethnic minorities, and 53 per cent. of the cadet contingent have single parents or are from broken homes. There is a moral there for the police and for the Regular Army, who should learn how it has been possible for the TA to effect that recruitment, which has not been occurring elsewhere.

I hope that an error will not be made about the TA, certainly in central London, but present Members are prone to blaming every ill that occurs in this country on the previous Government. The moment will come when that will no longer be intellectually possible. I am one of the two dozen or so—my hon. Friend the Member for Worthing, West (Mr. Bottomley), who is present, is another—who sat in the Chamber for the Conservatives between 1974 and 1979. In that period, in the run-up to the Edmund Davies report, there was a haemorrhage of sergeants from the Met aged 35 and above who got out because of the manner in which police pay was handled.

There was a crisis from the loss of police officers in the period after the Edmund Davies report; the new Government in 1979 were prepared to spend considerable money not only to meet the Davies recommendations on pay, but on further recruitment into the Met, yet there was not sufficient operational middle management of the quality required to train officers. That is a "What if?" question and we cannot tell how the course of history would have been changed if circumstances had been different. The report of the Northern Ireland Affairs Committee on the Royal Ulster Constabulary referred to a canteen culture, and there is no question that operational middle management plays a part in that.

I conclude as I began by thanking the hon. Member for Twickenham for initiating the debate. I am delighted to have been able to make a small contribution to it.

11.52 am

Mr. Peter Bottomley (Worthing, West): I shall speak briefly, because I know that the national spokesman for the Liberal Democrats, the hon. Member for Sheffield, Hallam (Mr. Allan), wants to speak. I join in appreciation of all that has been said by other hon. Members in this debate, which has been well initiated and conducted.

I regret only that the hon. Member for Streatham (Mr. Hill), will not be able to take part, but the Under-Secretary of State for the Home Department, the hon. Member for Vauxhall (Kate Hoey), will be able to speak, at least as a Minister. I suspect that she will speak also as a Back Bencher because, in the past, going over Vauxhall bridge to her constituency at night, every person that the police asked to get out of their car was black. That is no longer the case, so some of the apparent wrongdoing, which reflects genuine wrongdoing, is being tackled with determination by the Commissioner of Police of the Metropolis. From the day that he took office, he has been determined to deal with all the problems that the police force faces. He has not been completely successful, as he has said.

There have been references to the Lawrence inquiry. Like the hon. Member for Eltham (Mr. Efford), I prefer to keep most of my remarks for when the second part of the inquiry has finished and the report has been published. It is worth noting that, within a day and a half of the tragic killing of Stephen Lawrence, newspapers had reported police sources as saying that they knew that he was a good young man from a good family. The detective work went wrong, but it is worth noting also that Superintendent John Philpott responded to the request of the leader of Greenwich council to come to an immediate meeting at Greenwich town hall. That initiative and the exemplary behaviour of Doreen and Neville Lawrence meant that there was no follow-up action on the streets, which could have led to disaster.

I recommended to the Home Secretary in the previous Government that, instead of having an award to commemorate Philip Lawrence, the white headmaster who was tragically killed, it would be a fine tribute to have Lawrence awards to commemorate Stephen, a fine young black man, and Philip, a fine white headmaster. That would have been an inclusive way of marking their loss but also one that represented the decency in our community.

In such a debate, it would be easy to go back over the 23 or so years in which I have served in the House and pick out examples of bad behaviour by the police, and perhaps, on occasion, it would be right to do so. However, it is important to recognise the number of times when the police have behaved well or behaved better. Unless we recognise those changes, we shall not encourage those who are trying to effect change.

My right hon. Friend the Member for Cities of London and Westminster (Mr. Brooke) rightly pointed out the importance of middle management. When I had the responsibility for measures to cut drink-driving, the canteen culture in various police services was different because not only chief constables but their sergeants imposed their example and standards.

When a relatively senior detective in the Metropolitan police got into difficulty with the force, it was possible, by agreement with his Member of Parliament, to meet a senior police officer and get the issue at least half resolved, rather than leaving it in the hands of lawyers. When my half-French research assistant was repeatedly stopped and mistreated by the police on his way home from dropping me—for example, at Broadcasting house at midnight—he and I were able to meet a senior police officer and that mistreatment stopped.

I recommend that, if members of the police are concerned about the possible responses of the Lawrence inquiry, they should ensure that, when a police officer has stopped someone to run a check on a vehicle or driver's licence, that incident is recorded. The worst condemnation that I make of the most recent case that I took up is that the police had no record of inquiries about a named person in a car whose registration number was known. That shows that something is going wrong. If, for audit purposes, the police cannot run a retrospective check on who made an inquiry, when they made it and what it concerned, they cannot be accountable because they cannot count, manage or measure. They should insist on such records. Organisations will change only if good middle managers are recruited and remain in the force.

I conclude with a point about the Metropolitan police. There has been a recommendation that the starting rates of pay for police in London should be increased. The people who ought to come into the police service are much in demand, whatever their ethnic background. Within the Government, people are asking whether that recommendation should be implemented. It should. Low or relatively low pay in central London is not an excuse for racial attitudes, but increasing pay may be part of the solution.

[Mr. Peter Bottomley]

In that respect, as in others, the day that we can say that the colour of someone's skin is only as important as the colour of their eyes or of their hair, we shall know that the problem has been solved. We cannot say that yet.

11.58 am

Mr. Richard Allan (Sheffield, Hallam): I am pleased that my hon. Friend the Member for Twickenham (Dr. Cable) managed to secure this debate, and I am grateful to the hon. Member for Worthing, West (Mr. Bottomley) for his brevity. I shall try to be equally brief.

I want to highlight the problems faced by ethnic minorities in being the victims of crime. That aspect is often overlooked because there is a focus on the experience of ethnic minorities as the alleged perpetrators of crime and their subsequent treatment by the police and the criminal justice agencies.

Statistics unequivocally show that ethnic minorities are more likely to be the victims of all forms of crime. The British crime surveys of 1988 and 1992 and Home Office research study 154 showed that, statistically speaking, ethnic minorities are significantly more likely than whites to be the victims of both household and personal offences. The findings of the latest crime survey, published in Home Office statistical bulletin 6/98, showed that

"During 1995, ethnic minorities had a statistically higher risk of victimisation than white people."

Of course, there are sub-categories within that grouping. The bulletin continued:

"In particular, risks of almost all crimes were higher for Pakistanis and Bangladeshis."

There is variety within the different groupings and there is a risk of treating all people as the same, but every group of people with colour have a statistically higher risk of being victims of all forms of crime.

In addition to that experience of general crime, two important aspects must be considered: racially motivated crime and fear of crime. Racially motivated crime has an especially harmful effect on community relations. The crime surveys showed a high under-reporting of such crime. The 1996 survey recorded that

"Less than half of all racially motivated crime recorded"

in the survey was

"reported to the police",

and that

"Reporting to the police was less common among ethnic minorities than white people. Only 29 per cent. of racist crimes where the victim was an ethnic minority were reported to the police, compared with 55 per cent. where the victim was white."

Under-reporting and the feeling that racially motivated crime is not taken seriously may contribute to a lack of confidence in the police in general. We are pleased that improvements are being made in that regard, such as the introduction of legislation on racially aggravated offences, for which we have high hopes, but we believe that there is far more work to be done.

When I was a member of Avon county council, some time ago, I came into contact with Support Against Racist Incidents; like the hon. Member for Bristol, East (Ms Corston), I can testify to its good work. As a part of the community, it talks to people—sometimes literally in their language—and encourages them to report the racially motivated offences that are certainly occurring. I hope that the Government will provide support to enable more similar work to be done.

Fear of crime is markedly higher among ethnic minorities, and can dramatically affect people's quality of life, regardless of their background. The 1996 survey showed that

"Ethnic minorities scored higher than white people on all"

the crime survey

"measures of fear of crime. They perceive themselves to be at greater risk of crime than whites . . . To a large extent this is a reflection of their"

actual

"higher risks of victimisation and harassment."

A figure that stuck out for me from the survey's findings was that 10 per cent. of black people fear going to football matches, as against 3 per cent. of white people. I know that the Commission for Racial Equality is doing much work with its "Let's kick racism out of football" campaign, but plenty remains to be done when significant numbers of citizens fear going to a certain type of event purely because they feel that they may be harassed, or worse.

Under-reporting in general does not appear to be a major problem, in that the figures for reporting of crime are broadly similar for all groups, but there is a high expectation among ethnic minorities that nothing will happen after the crime has been reported. That low expectation of police action is a major problem.

Some major socio-economic factors are outside the scope of the debate. The fact that people who belong to an ethnic minority often live in poverty and deprivation is linked with their experience of crime, quite apart from the additional factor of their ethnicity.

One of the cornerstones of any improvement in police action is the ethnic monitoring of all police activity. My hon. Friend the Member for Twickenham referred to the other main issue—recruitment. I say to the hon. Member for Blaby (Mr. Robathan) that we believe that targets—not quotas—are important, and that firm action is needed to ensure that officers justify their failure to meet targets. There may be a good reason—recruits may not be presenting themselves—but we believe that someone based centrally must ask chief constables what is happening and demand an explanation.

Mr. Robathan: I am very happy with that suggestion. Targets have an important role and of course recruitment should be targeted; I was expressing a fear that heads would roll if the targets are not met.

Mr. Allan: I am grateful for that clarification.

For ethnic monitoring to be undertaken seriously, and subsequent action to be taken, there must be leadership from the top. The Home Office research study into ethnic monitoring, No. 173, picked up some widely differing attitudes to monitoring. Some police officers were using it defensively; they were saying, "We know that the blacks carry out all the crime and we believe that monitoring will help us prove it". Others responded genuinely and appropriately, saying that monitoring was

an important tool whose use was in the interests of the police, enabling individual police officers to show that they were not acting in a racially motivated or racist way.

Monitoring, in and of itself, is not the answer. The attitude to monitoring must be right, and senior management must take note of, and act on, the results. If figures for stop and search reveal a problem, senior management must ask throughout the ranks why that is happening and seek solutions.

We believe that the challenge is to bring about the right attitude to monitoring and to take action to combat racism throughout police forces in Britain. I have every confidence in chief constables to show the necessary leadership, but we must make it clear that that is a public priority—a political priority.

I believe that, if we are looking for some good to flow from tragic events such as those that triggered the Stephen Lawrence inquiry, it would be a fitting result for all police forces to place combating racism—in their ranks and in society—high on their agenda. As a Liberal Democrat, working for a tolerant and free society, I believe that there is a moral case for that. I also hope that we shall take seriously the experiences of people from ethnic minorities, in relation to the higher levels of actual crime and fear of crime that they suffer, and their appalling experience of the horrendous effects of racially motivated crime. If that consciousness guides our police priorities, it will single out that aspect as a key area for police action.

We hope that the new community safety strategies will provide a focus, as they highlight the experience of people from ethnic minorities and allow the police to target resources. I look forward to the development of those community safety strategies, and hope that they will have serious input from all sections of the community. I hope that they result, not in a top-down approach, but in a genuine bottom-up approach, which will allow everyone to talk about their experiences. I look forward to the Minister's response on this important issue.

12.6 pm

Mr. John Greenway (Ryedale): I take the opportunity—the first that I have had—to welcome the Under-Secretary of State for the Home Department, the hon. Member for Vauxhall (Kate Hoey), to the Treasury Bench. We are great friends in this place. I suspect that, later today, our minds will turn to a town in Ukraine, because of our support for a certain football club. In the meantime, I am glad to speak with her across the Dispatch Boxes on this important issue.

I congratulate the hon. Member for Twickenham (Dr. Cable) on securing the debate. Debate on police issues is always welcome, especially to me. Although the House will, in due course, reflect on the report of the Macpherson inquiry into the Stephen Lawrence tragedy, there are—as the debate has shown—many matters on which we may usefully express a view while we keenly await its publication. I am sure that the House would wish to thank Sir William Macpherson and his team for their work. I am sure that the House will also wish to share in expressing the admiration of the hon. Member for Eltham (Mr. Efford) for the courageous and temperate way in which Mr. and Mrs. Lawrence have conducted themselves in recent months over that tragic affair.

Central to the deliberations of the Lawrence inquiry has been the question whether there is institutionalised racism in the police service. The debate has shown that the phrase means different things to different people. We need to clarify what we mean—what people are trying to allege—by the phrase "institutionalised racism". If it means that the police service as a whole sets out to target and persecute people from black communities solely on the ground of their ethnic background, I do not believe such an allegation to be remotely true. On the other hand, if the intention is to suggest that there is in the police service a tendency among some officers, as a result of their personal racial prejudice or—as the hon. Member for Bristol, East (Ms Corston) correctly pointed out—all the assumptions that they make, to fail on occasions to treat every incident that might involve people from ethnic backgrounds with equal fairness or single-mindedness, that allegation may well be true. Nevertheless, such tendencies and behaviour cannot be tolerated. As the hon. Member for Sheffield, Hallam (Mr. Allan) has just reminded the House, in community and police relations, the problem is more often one of people from ethnic backgrounds being victims of, rather than their indulging in, criminal activity.

A central issue in the Stephen Lawrence incident has been police response to racially motivated violence. Not that many years ago, when I was a member of the Home Affairs Select Committee, we inquired in depth into the issue of racially motivated attacks. Committee members were struck by the variation in standards of community relations among police forces, even within the Metropolitan police in different parts of London. There is no substitute for strong and good relations between police and communities, and achieving such relations must be an important objective for all police services.

In recent months, with the passage of the Crime and Disorder Act 1998, we have debated how racially motivated violence should be prosecuted. However, as my hon. Friend the Member for Worthing, West (Mr. Bottomley) said, it is difficult not to conclude that such argument is essentially irrelevant when dealing with the primary fact that a very fine young man has been murdered.

I have often stated in the House my belief in the need for a multiracial police force. Although only a fool or a racist bigot would argue with the proposition that the United Kingdom's multiracial society needs a multiracial police force, there is still much to do done to build such a force. Only last week, Mr. Fred Broughton of the Police Federation told the Ho e Affairs Select Committee that, in the fight against crime, "it is essential" to have a far more balanced police force.

I have been able on several occasions to observe the effectiveness of multiracial policing in major cities in the United States, and argue that such policing is a prize that is well worth striving for. The Home Secretary was right to suggest in his recent speech to the Black Police Association that more needs to be done to foster good relations with all sections of our diverse community, and that the police service should reflect the diversity of the community that it serves.

The Government must, nevertheless, do more than merely set targets for recruitment, retention and promotion of black and Asian officers, because targets alone will solve nothing. My hon. Friend the Member for Blaby (Mr. Robathan) has dealt with the matter of what happens if targets are not met.

[Mr. John Greenway]

The House must ask how chief constables are to increase the number of officers from ethnic communities when, as the Home Secretary knows full well, other demands on police budgets—some of which have been imposed by the Home Office—are forcing many chief constables to freeze recruitment.

The greater flexibility given by the previous Government to chief constables to decide their spending priorities was, and remains, a welcome development. However, it remains Ministers' responsibility to ensure that the demands that they place on the police service are achievable within the resource base that they provide.

The plain fact is that many police forces will find it extremely difficult to recruit additional officers in the next few years, and that some forces are already making reductions. Progress in reaching the important targets for recruitment of more black and Asian police officers can be met only through the natural process of younger officers replacing retiring officers.

It is crucial that more is done by senior officers to improve police culture in dealing with ethnic communities. People from ethnic communities need encouragement to believe that they will be made to feel welcome if they join the police service.

As several hon. Members have said today, people from ethnic communities neither need nor expect positive discrimination in achieving promotion. Many young people from an ethnic background who have been born and brought up in the United Kingdom are highly capable of achieving, entirely on merit, the most senior ranks in our police service.

The task for chief constables and senior officers is to eradicate any racist elements in their forces. To do so, they will require the full support of both the Government and Parliament. The Stephen Lawrence tragedy, and the case of Michael Menson, demonstrate all too clearly the price of failing to achieve that objective.

Some have questioned whether some senior police officers, even the Commissioner of Police of the Metropolis himself, should resign. I agree with those who say that such tokenism will not address the culture issue, and that a more significant factor may be whether senior officers have the confidence of their own serving officers. Above all, training and internal personnel initiatives are most likely to be effective in addressing the issue. The hon. Member for Bristol, East made telling points on the need for the police service to have a far greater understanding of different cultures, and on the fact that behaviour regarded as unusual by some may be thought of as perfectly normal by others.

There must be change not only in police culture. As Mr. Broughton told the Select Committee last week, police morale has taken an absolute battering over recent allegations of racism in the service. Although I do not have time to quote at length Mr. Broughton's evidence to the Committee, that evidence will be available to hon. Members. I should say that he mentioned the tremendous anger of police officers. As he said—it is confirmed by my own experience—the fact is that the vast majority of police officers are not racist, corrupt or dishonest. They are doing a difficult job. The House has always taken every opportunity to praise the excellent job done by the vast majority of serving policemen and policewomen in the United Kingdom, and we do so again today.

I have no doubt that the most pressing need is to address the loss of faith in our police service, which has been generated by recent events, among residents in many communities, particularly in London. However, the situation is not entirely gloomy. Later today, we should be able to see in the *Evening Standard* a new ICM poll showing that, according to members of ethnic communities, race relations have improved significantly in the past 10 years. We therefore have to view the issue in perspective.

Suspicion of, and lack of confidence in, the police service is the primary barrier to achieving the Government's objective of increasing the number of officers from West Indian, African, Asian and other ethnic backgrounds. Young people from those communities are being actively discouraged from joining the police service. It will take a monumental effort to repair the damage of recent months. A great many people in the police service relish that challenge, but will need to have confidence that corrupt officers and those guilty of blatant racial discrimination will be disciplined.

The police service will also need reassurance that Parliament stands ready to provide the support, both moral and material, that it needs. It is my profound wish that the cross-party consensus on the issue that has been so obvious in the debate will encourage the important process of rebuilding and strengthening police and community relations in Britain.

12.19 pm

The Parliamentary Under-Secretary of State for the Home Department (Kate Hoey): I thank the hon. Member for Ryedale (Mr. Greenway) for his kind words. It is a privilege to respond to my first Adjournment debate on this topic. My hon. Friend the Member for Streatham (Mr. Hill), who is sitting on the Front Bench but cannot speak, and I, as the Member of Parliament for Vauxhall, have a great interest in this subject as we both represent the borough of Lambeth.

I congratulate the hon. Member for Twickenham (Dr. Cable) on his good fortune in securing the debate and on his choice of subject. The issues of racism and community relations in the context of the police are both highly topical and extremely important subjects for the House to consider. His thoughtful and forward-looking remarks set the tone for the whole debate. It is good to see that hon. Members on both sides of the House have wanted to contribute to the debate. As the hon. Member for Ryedale said, that shows the all-party nature of the subject. If we are to tackle racism, we must all work together.

There has been a tendency to regard such debates as primarily about the Metropolitan police, but the speeches by the hon. Member for Blaby (Mr. Robathan), my hon. Friend the Member for Bristol, East (Ms Corston) and the hon. Member for Worthing, West (Mr. Bottomley), who may think that he is still a London Member—he is not, because my hon. Friend the Member for Eltham (Mr. Efford) is sitting behind me—have shown that the debate has been more wide ranging. Although the Met gets huge publicity because it is such a large force, its problems are replicated in police forces throughout the country.

The Government have made tackling racism a top priority. In the United Kingdom's increasingly diverse society, the police service needs to reflect that priority if it is to continue its tradition of policing by consent. The service relies on the support and active participation of all sections of the community. It must also be seen to be tackling racial and other discrimination so that it can provide a better service to all sections of the community.

We all want a police service that treats all people fairly, regardless of their race or religion. The experience of ethnic minority communities does not meet that aspiration. We must take that on board. To do its job properly, the police service needs the trust and confidence of every citizen. Police and community relations must be brought into the heart of police policy and practice.

Our goal is to create a police service that treats people fairly and equally. Central to that is the need to ensure that racially motivated crime is tackled effectively. Part of the answer is to provide the right legislative tools to tackle racial crime. We have made good progress on that in the Crime and Disorder Act 1998, with the introduction of new racially aggravated offences. However, legislation is not enough. The way in which the police respond to racial crime is crucial. It is a key test of whether the police are delivering their services fairly to all sections of the community.

My hon. Friend the Member for Bristol, East mentioned a booklet about the work done under Commander Dave Warren in Bristol. That approach has helped to turn round police-community relations in that area and is to be commended. As the hon. Member for Worthing, West said, much work is being done to improve police performance in that central area. In my time as a Member of Parliament, I have seen changes in my constituency, where some people would hardly talk to the police. That has changed and genuine partnerships now exist.

The Association of Chief Police Officers has produced a good practice guide for police response to racial incidents. A protocol has also been agreed with the Crime Prosecution Service to ensure consistency in identifying cases with a racial motivation. Those are all steps in the right direction, which we intend to build on to ensure that the mistakes of the past are avoided. The Government welcome the racial and violent crime task force, headed by DAC John Grieve, which the Metropolitan police has set up. It has the challenging task of creating a strategy for tackling that key area in the Met.

Reference has been made to the Lawrence inquiry. I wish to add my comments on how the Lawrence family has handled the whole terrible tragedy. Part 2 of the inquiry that my right hon. Friend the Home Secretary set up last year into the death of Stephen Lawrence is now well under way and is looking into the lessons to be learnt for the investigation and prosecution of racially motivated crime. The death of that young man was a tragedy. The challenge will be for the police service to ensure that the results of the inquiry are grasped as an opportunity to make real and lasting changes so that it can gain the confidence of all sections of the community.

How the police use their powers is another key test of how fairly they serve the community. It can have a significant effect on the lives of members of minority ethnic communities: on their perceptions of the police and their willingness to co-operate with the police in tackling crime and disorder. The results of the first full year of ethnic monitoring of police activity, published last December, showed substantial differences in the use the police make of their powers when dealing with different ethnic groups. The statistics showed that police forces consistently stopped, searched and arrested more black people than white or Asian, but were less likely to caution black people. That has been referred to over and again by hon. Members today.

Although many variables make it difficult to interpret the data perfectly, there can be no escaping the message that black people in particular seem to get disproportionate attention from the police. It is vital that the police service takes account of that, and takes effective action to ensure that the substantial powers that police officers hold are used fairly and effectively. Progress is being made. For example, the Metropolitan police service has reviewed its use of stop and search, and developed a plan to manage that tactic fairly and effectively. The Association of Chief Police Officers has set up a project to develop effective use of ethnic monitoring data, which will inform the development of a good practice guide. We all await the results with interest.

Appropriate training for the police in community and race relations is essential to enable them to operate effectively and fairly. The Home Office has, for many years, funded a specialist unit to give expert support to the service in race and community relations training. A new strategy to be implemented from next year will see a shift in how that support is provided: support will be provided directly to individual forces to place community and race relations firmly within operational policing activities.

I tell my hon. Friend the Member for Eltham that the review of national police training is on ice while the Select Committee on Home Affairs conducts an inquiry into police training. However, we intend the results of the Stephen Lawrence inquiry to feed into the review.

We hope that the new force-based approach, which will include extensive consultation with local communities, will provide the right operational and cultural context in which training can take place. As the hon. Member for Twickenham said, corners must not be cut on training.

Membership of the service must now, more than ever, reflect the diversity of society. The Home Secretary has expressed his personal commitment to that, and to the setting of targets for minority ethnic recruitment, retention and promotion in all services for which the Home Office is responsible. I gently advise the hon. Member for Ryedale that we cannot allow resources to be used as an excuse for not recruiting more ethnic minorities in the police service. I welcome the hon. Gentleman's support for targets, but make it absolutely clear that targets are not the same as quotas. There is a big difference.

The Home Office and the Black Police Association have a close working relationship, to which black police officers are well placed to make an important contribution not only operationally but in terms of understanding what goes on in their own community.

It is the Government's goal to create a society that treats everyone with decency and respect, regardless of their colour. The police service must take a lead in making that vision a reality. The report of the inquiry into Stephen Lawrence's death will have a significant impact on the future of race and community relations within the police

[Kate Hoey]

service, and the service must rise to that challenge. I remind the House of what Lord Scarman said in his 1981 report:

"A police force which fails to reflect the ethnic diversity of our society will never succeed in securing the full support of all its sections."

I am confident that there is a strong commitment at all levels of the service to making the necessary changes and that we can move forward and learn from the lessons of the past. I am confident that we shall learn from the Lawrence inquiry and I very much welcome the opportunity to debate the matter this morning, and the interest shown by all hon. Members.

School Students

12.29 pm

Ms Gisela Stuart (Birmingham, Edgbaston): In Birmingham, on average, one in five children will change school each year other than at normal transfer times, but averages hide some salient statistics. In my constituency, the turnover rate is 29.6 per cent. in the Bartley Green ward, 22 per cent. in Edgbaston, 18 per cent. in Harborne and 19 per cent. in Quinton; in other words, the rates in all my wards are above or well above the average for the city.

Some of the schools in my constituency have significant problems. I shall use four schools in the Bartley Green ward to illustrate the tremendous range. At Ley Hill school, the turnover is 50 per cent.; at Nonsuch school, 45 per cent.; and at Kitwell school, 42 per cent. However, St. Peter's Roman Catholic school, which is 500 yd down the road from Nonsuch school, has a turnover of just 9 per cent. Averages can be deceptive and we must look at the problems faced by individual schools.

Why is mobility a problem? Children who change school frequently are at greater risk of under-achieving academically. They tend to have a poorer attendance record, poorer concentration and poorer motivation. They are also more likely to have special educational needs. High mobility in any school affects continuity and progression, and children find it difficult to catch up when they change school. That, in turn, tends to lead to low self-esteem, behavioural problems and exclusion. The children who change schools are not the only ones affected; the children who attend a school at a time of high mobility suffer knock-on effects. Those children who are not absent are still affected when new children have to catch up, and that damages their educational experience.

Some research has been carried out in Birmingham. In March 1997, the Ladywood consortium of schools carried out a survey on pupil mobility. The results were most enlightening. Moving house accounted for some 72 per cent. of children changing schools. However, some 18 per cent. of those in Ladywood remained in the area but still changed schools. In certain parts of Birmingham, there has been a fall in the birth rate, so schools have vacant places. It has become almost a habit that, when children encounter difficulties in one school, they are simply moved to another. Rather than facing up to problems and trying to solve them, moving is seen as a solution, but it tends to aggravate the problems.

How can we reduce and manage mobility? It is accepted that it is a cross-agency problem and that no one agency can address it. In Birmingham, additional resources have been provided through the local management of schools formula. There are also pilot projects on unique pupil identifiers to ensure that pupils are not lost in the system. There is an increased focus on inclusion, which involves giving schools additional support when children move to ensure that their records and work are passed on.

Extra funding is not sufficient, however. The extra resources given as a result of mobility tend to have a negative knock-on effect on the funding for free school meals. Therefore, rather than gaining twice as they really should, some schools tend to lose out by the trading off under the formula. It generates some extra funds, but they are not sufficient.

My hon. Friend the Under-Secretary will be aware that, although the English average for claiming free school meals is 22 per cent., the average for Birmingham is 37 per cent. In some schools in my constituency, entitlement on the basis of drawing income support would suggest figures of 60 to 70 per cent., but the benefit is not claimed. There is still a perceived stigma to claiming free school meals, so official figures underestimate the true problem.

I should like to draw on the experience of two head teachers in my constituency who described the problem more accurately than I can. Mrs. Pat Cook from Kitwell primary school wrote to me about resources, saying:

"The trend over the last three years shows a pupil turnover rate of 42.5 per cent. The present system of funding does not fully take into account extra consumable materials the school has to purchase . . . additional teacher time, secretarial time, Special Needs Co-ordinator time in general administration of records"—

which change continually—

"discussions with previous and receiving schools, telephone and postal charges"—

to communicate with new parents and the

"additional workload when statemented pupils transfer."

There is a tendency for pupils who move very frequently to have special educational needs. She also makes this important point:

"Pupils who join us after form 7 (January) but leave before September bring no funding at all".

The funding formula is not sufficiently sensitive.

Other than resources—it could be argued that it is for individual local education authorities to come up with formulae that address their needs—there is also the problem of setting targets. The Government have asked schools to set targets for 2000 in respect of key stage 2 and GCSEs.

Let me make it clear that none of the head teachers with whom I have spoken is against setting targets or in any way lacks commitment to raising standards. Pat Cook wrote:

"We are committed to raising standards—we are happy to set targets—but please take into account pupil mobility."

She said that 30 of her current year 6 will sit an exam by the end of the year, but 10 of them have only just joined the school.

The second school in my constituency to which I make direct reference is Ley Hill primary school. The head teacher, Roger Cunningham, told me last week that he had 380 pupils on the roll and that, last year, he admitted 174 and lost 154. Although he accepts that the figures include some year 6 students and some reception students, pupil turnover averages 50 per cent. His particular concern is that the Government's system of target setting is, in his words,

"at best gazing into the crystal ball in a school with a mobility of some 50 per cent."

He writes:

"The circular 11/98 'Target Setting in Schools' does not allow for targets to be adjusted for mobility once they have been set. It argues that mobility can be positive as well as negative. While that is true it does seem that Ley Hill is subject to Social Mobility with our better families being rehoused. Since carrying out our annual tests in May, we have lost five children from the 2000 target group. Three of them would have been certain Level 4 children. We have admitted into the year group a child with learning difficulties who has arrived complete with Integration Support."

Roger Cunningham and other head teachers face the difficulty that committed teachers and head teachers do their level best to deal with a rapidly moving population, but there is a danger that some of the target setting assumes a linear progression in improving standards that schools such as Kitwell will never be able to achieve by the very nature of the communities that they serve. They have a very real fear that the current targeting system is not sufficiently sensitive to their schools, which should be allowed to renew and review their annual targets much more frequently. I urge my hon. Friend the Under-Secretary to reconsider the current system of target setting to take account of mobility.

12.39 pm

The Parliamentary Under-Secretary of State for Education and Employment (Mr. Charles Clarke): The Government welcome the debate. I congratulate my hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart) on the strong and clear way in which she has put her case. I should like to mention the similar work of my hon. Friend the Member for Waveney (Mr. Blizzard).

For a long time, central Government have given insufficient priority to high pupil mobility. Unfortunately, the statistics that my hon. Friend has given are not atypical. She mentioned schools with mobility rates of 42, 45 and 50 per cent. and wards in her constituency with a 29 per cent. mobility rate. My hon. Friend the Member for Waveney made an analysis of four schools in his constituency—a very different part of the country—where turnover was 31 per cent. Data obtained from six London local education authorities have verified that this is a major issue in many parts of Greater London. Statistics for one inner-London authority show that more than one third of children taking key stage 2 tests last year had not been in the same school at key stage 1. Manchester local education authority also cited high mobility as a key issue in its evidence to the 1994–95 Education Select Committee inquiry on performance in inner-city schools.

The whole House owes a debt to my hon. Friend the Member for Edgbaston for raising the issue, because the problem is not just local to her constituency; it has profound implications across the education system, and insufficient attention has been paid to it.

I agreed with my hon. Friend's points about the implications of high mobility for education and the educational problems that arise when it is difficult to manage and address issues of mobility properly. High pupil mobility is one of the many factors that can affect pupil performance and school management. Much more attention needs to be paid to it. However, there is little hard information on the causes and effects. The issues are complex. I shall mention four factors that affect pupil mobility.

The first factor is internal migration. People may move locally because of a change in their job, career cycle, life cycle or housing—in that respect, I was interested in the Ladywood survey to which my hon. Friend referred. There are also particular communities such as travellers who move around and for whom specific provision is made in the standards fund. The second important factor is institutional movement—exclusions, voluntary transfers, people moving between special schools and others and people moving between the private

[Mr. Charles Clarke]

independent system and the state system. Thirdly, there is individual movement—children in care, families breaking up and circumstances changing that result in children moving around. Fourthly—this is not a trivial issue at all, particularly in our great cities—there is international migration, as people move to and from this country; that can happen as a result of making job changes, seeking refugee status or moving around as a student.

A complex series of factors play their part in determining what happens, but our information is very patchy. My hon. Friend mentioned the contrast between two neighbouring schools, one with a 9 per cent. level of mobility and the other with 42 per cent. My Department is co-operating with a new research project to be conducted at the migration research unit at University college, London by Dr. Janet Dobson, who wrote an interesting piece on the subject in *The Times Educational Supplement* two or three weeks ago. With funding from the Nuffield Foundation, the study will look at the nature and causes of pupil mobility and the implications of high mobility for current national strategies to raise educational standards and achievement.

In particular, the project will review the current state of knowledge on child migration, which is patchy. It will establish what is currently known about the implications of high pupil mobility, developing a better understanding of the incidence of high mobility and the policy issues deriving from it and painting a detailed picture of the scale and nature of pupil mobility in some high mobility schools and the implications for strategies to raise achievement. We are considering additional funding support to accelerate the project, which will begin next year, so that it can be more comprehensive and achieve more accurate results more quickly. We look forward to the results with great interest.

We would welcome more concrete evidence on mobility, such as that produced by my hon. Friend, to clarify how issues arise between different schools in an area and the implications for educational performance. The subject has not been sufficiently discussed. I hope that the research project with which we are co-operating will provide a focus for proper debate and discussion of the issues.

The research project will also provide the basis of any policy changes that may be needed to take account of the problems caused by mobility. Many issues are involved, of which my hon. Friend raised several. Record keeping is important. Records are not passed on in a way that assists education as people move from school to school. There is a lot of evidence that the performance advance of children at the beginning of secondary school in particular is not as fast as at other times. One reason is that school records are not passed on as efficiently and rapidly as they should be. As a result, secondary school teachers do not understand their pupils' educational history as well as would be beneficial to them as teachers and to the pupils. That is highlighted by what my hon. Friend has said about mobility between schools, not just at the primary-secondary transfer. My Department will produce new guidance later this year to tighten up on the approach so that our system of records will ensure that past educational achievement is properly understood.

My hon. Friend also mentioned exclusion and truancy and the general framework of social exclusion that affects some schools more than others. She will know that, at the start of October, my right hon. Friend the Secretary of State announced a major new programme of £493 million of expenditure over three years.

Ms Stuart: Some schools in my constituency have pupils with dual registration. A pupil may have been excluded from one school and be then registered in a special school, and a mainstream school is prepared to take that pupil on dual registration. If that student has to be expelled again, the forecast GCSE results will count towards the targets. That provides a disincentive for schools to take the risk of bringing students back into the mainstream.

Mr. Clarke: That is an excellent and valid point, which I entirely take. I shall comment later on certain reviews; perhaps I may address my hon. Friend's accurate and correct point in that context. As with her other points, it has general applicability across the system.

Our social exclusion policies seek to achieve a multi-agency approach, in which schools work with the police, the probation service and particularly social services to try to ensure a much more supportive, less professionally segmented, more positive and constructive atmosphere in which to try to address the problems. We are specifically putting resources into the education of children in care, which has been very much neglected over a long period. Although those measures do not directly address the issue of mobility, I hope and believe that the coherent Government programme will reduce the incidence of some of the factors that lead to mobility and problems in schools in my hon. Friend's constituency.

My hon. Friend referred to target setting, which is an exceptionally important aspect of the subject. As she knows, the Government believe that setting specific, measurable targets for pupil performance is a very powerful lever for raising educational standards. I was very glad that she mentioned the commitment to that approach of head teachers of the schools that she described. Their commitment is shared throughout the teaching profession. People acknowledge the benefit of setting targets to focus attention on how we solve problems.

Setting pupil performance targets is also an essential tool in school management, as it adds clarity and focus to the school planning process, allowing a school to address issues and problems internally. Higher standards will be achieved only if schools take responsibility for their improvement and feel that they have ownership of the target-setting process. My hon. Friend the Member for Edgbaston rightly pointed out that some head teachers feel that they do not own sufficiently the target-setting process in their school when external factors are hitting them over the head. Just as they need to feel ownership of the process, we need to be able to respond constructively.

There is no doubt from research and inspection evidence that target setting raises pupil performance. There is no doubt either that our new statutory targets are in line with other targets that the Government are setting, to achieve coherence between schools and LEAs' educational development plans, and nationally, as we seek to move the process of achievement forward.

It is important that schools set targets based on past trends, benchmark data, national targets, LEA targets and teacher forecasts, which aggregate pupil results. It is therefore entirely reasonable that, in schools where there is high mobility of the kind to which my hon. Friend referred, that factor is taken into account when setting targets and deciding how to move forward.

High pupil mobility makes it difficult to aggregate school targets on individual pupils. As the schools that are affected are so wide ranging—I have been surprised by it—it is important that we consider detailed research in deciding what guidance to offer on how mobility can be taken into account. I regret that, in past years, there has not been detailed research into the matter. That is why I am glad to be able to announce today our co-operation with the research projects at University college, London.

Schools with high pupil mobility should certainly seek to make similar progress toward national and LEA targets to other schools, as the head teachers of the schools in Birmingham, Edgbaston have acknowledged. It is obviously highly desirable in so doing to take account of a school's circumstances, including high mobility. We are reviewing the target-setting process for 1999. It would not be appropriate to revisit the arrangements for this year so late in the process, although we shall draw on this year's experience in reviewing the working of regulations governing target setting. We shall obviously take into account a wide variety of issues as well as, to the extent that that is possible, pupil mobility issues.

I should make one important qualification. We shall not, even this year, properly understand what causes mobility and why its incidence is so selective and partial in schools in the same LEA, constituency or ward. Before we come to firm, long-term views on how we should properly take pupil mobility into account, I am keen to see evidence generated by the research projects to which I referred.

Ms Stuart: It is interesting that, because of the different reasons behind mobility, the social problems associated with it do not arise in the nearby constituency of Birmingham, Selly Oak, where the university population causes a high turnover. I therefore welcome the detailed research.

Mr. Clarke: I appreciate that remark. Indeed, my hon. Friend the Member for Birmingham, Selly Oak (Dr. Jones) tabled a written question on the matter earlier in the year, in which she focused on similar points. The difficulty is that the issue is so complex; there is such an interplay of factors. Before giving clear guidance, we need to establish how such factors relate to each other. One very important thing that we need to do nationally, in schools and through LEA educational development plans is to identify the causes of high mobility properly and develop strategies to reduce its adverse effect on pupil performance.

Mr. Don Foster (Bath): I thank the Minister for his positive response to the hon. Member for Birmingham, Edgbaston (Ms Stuart), who has raised a very important subject. She raised one issue on which he has not touched—the tracking of pupils. Will he comment on the Government's thoughts on the matter? I am sure that he is aware of concern about the fact that we have no idea where some pupils who leave a school go. Such tracking data would have been very helpful, for example, in the appalling and tragic Fred West case. Have the Government any plans to implement a tracking mechanism?

Mr. Clarke: I entirely accept the hon. Gentleman's remarks. I mentioned the transfer of records. The awful West case was one of the aspects that informed our approach. We must consider not only educational issues, which I have sought to address, but those concerning lost children, which can be, and have been, deeply tragic. We are taking on board the hon. Gentleman's comments. We are looking at ways in which to introduce unique pupil identifiers—UPIs—to which my hon. Friend the Member for Edgbaston referred. There are significant information technology issues, too, as schools begin to move forward in that respect. We are conscious of the fact that, as we try to work out the best way to adopt a much more effective system of tracking pupils, which is needed, we must not place additional burdens on teachers. My Department is looking closely at the matter and will provide detailed guidance later this year on record keeping and the transfer of records. More substantially, we shall be making proposals on this very important issue. I am grateful to the hon. Gentleman for raising it.

My hon. Friend the Member for Edgbaston asked how head teachers and schools should explain to local communities the implications of mobility figures for their performance results. I should emphasise that it is entirely appropriate and right for performance tables and results to be published in the proper context in annual reports, so that parents and the local community may understand the circumstances in which the achievements were made, and, should head teachers or governors deem it appropriate, the specific impact of high pupil mobility on examination results is explained.

I hope that, on the evidence of the research project that I have mentioned, and the steps that we are already taking to review target setting, my hon. Friend will accept that we take the issue seriously. We would also encourage governors and head teachers to explain to parents and the rest of the community the precise impact that high mobility has on exam results. I thank my hon. Friend for introducing the debate, which gives the first real airing to an important subject that is not well understood.

Newhaven Port

12.59 pm

Mr. Norman Baker (Lewes): I am grateful for the opportunity to hold the debate, although I wish that it were not necessary. As the Minister will know, I last initiated an Adjournment debate on Government support for Newhaven in June, when I drew attention to the importance of the port not only for Newhaven itself but for a much wider region. I am sure that she accepts that a wider region is affected by the fortunes of Newhaven port.

Introducing my debate on 3 June, I said:

"This is a critical time for Newhaven. The port is at a crossroads . . . It has the potential a major success story of the next century, but it might also slip away, leaving a shell of derelict buildings, rusting metal and high unemployment . . . The Government, local councils and, crucially, the private sector must all deliver if we are to succeed".—[*Official Report*, 3 June 1998; Vol. 313, c. 324.]

I am sorry to tell the House that the five months since then have not been kind to Newhaven. The crossroads sign has begun to swing round, away from prosperity and towards the rusting metal and empty shell. In response to my previous debate, the Minister gave me genuinely sympathetic words, and set out the help that has been provided by both the present and the previous Government.

I acknowledge the help that has been given, and place on record again my thanks for the positive approach and flexibility of the Government office for the south-east. However, let there be no misunderstanding. Today I have to say clearly that that level of help is no longer enough. The situation has deteriorated, and I ask the Government to move up a gear, as the French Government did yesterday.

The seriousness of the position is reflected by the fact that in the Strangers Gallery today we have a large contingent from Dieppe, including the Deputy and mayor, Christian Cuvilliez, with representatives from the unions and from the Dieppe chamber of commerce. Hon. Members may have seen the coaches outside the House bearing the slogan "Save the Line".

I am pleased that so many distinguished guests are here today to listen to the debate and to hear the Minister's response. I hope that she will send them away in an optimistic frame of mind, and I am grateful that she has said that she will be able to have a brief few words with the members of the delegation immediately after the debate. I know that her timetable is very tight, and the fact that she has found us a small space is much appreciated both by our friends from Dieppe and by me.

I am also grateful for the support of other local Members of Parliament, especially the hon. Member for Brighton, Pavilion (Mr. Lepper), who is in the Chamber now, and who has initiated an unprecedented statement of support for the ferry from interests on both sides of the channel. All the local Members, from all parties, have contacted me and been supportive. The hon. Members for Pavilion, for Brighton, Kemptown (Dr. Turner), for Hove (Mr. Caplin) and for Hastings and Rye (Mr. Foster), and the right hon. Member for Wealden (Sir G. Johnson Smith), have all signed my early-day motion 1694 on the subject. I notice that the hon. Member for Eastbourne (Mr. Waterson) is also present today, and I encourage him to add his signature.

Let me outline the present position. It has become clear that the port owner, Sea Containers, is not prepared to build a new outer harbour, despite having signed up, literally, to the town's regeneration programme as established through the Newhaven economic partnership, which clearly included that project.

The alternative suggestion was for a deepening of the existing harbour—an idea that came from Sea Containers itself. Yet the company now says that it is not prepared to do that, either, despite the fact that the Government office for the south-east was helpful and flexible about altering the plans for the approved port access road, to be funded through capital challenge, and the county council committed yet more public money to redesign the road.

The county council had done all the work, and was ready to go. Planning permission had been obtained, all the land ownership problems had been sorted out, and extensive landscaping schemes designed. The county then waited almost a year for Sea Containers to deliver its side of the bargain; it waited in vain.

Now that window of opportunity for funding the road has been lost. Also lost, almost certainly, is the well-respected and key local employer, James Fisher, which has been unable to reach a satisfactory deal with Sea Containers, and, I understand, is now negotiating a surrender of its lease. More jobs are being lost.

Most serious is the potential loss of the ferry route that has operated between Newhaven and Dieppe for 173 years. Ho Chi Minh once worked on the route, Lord Salisbury travelled on it to reach his home in France, and Lord Lucan allegedly used it to escape from the country. I hope that the ferry does not disappear, as he did.

Last week, P and O Stena announced the withdrawal of the Elite, the fast craft used on the route. We are now down to one ancient trundling boat, the Cambria, which sails twice a day and is often late. Indeed, it was late this morning. Its timetable is hardly designed to attract extra traffic. The boat used by our French friends this morning left Dieppe at 3.45 am.

The ferry company is in talks with the unions to discuss a range of options, one of which is to close the line altogether. That would be catastrophic for both Newhaven and Dieppe, and for nearby areas in Normandy and East Sussex, including Brighton and Hove, and Eastbourne.

Mr. David Lepper (Brighton, Pavilion): Does the hon. Gentleman agree that some of us gave our reluctant support to the limited merger between P and O and Stena last year only on the understanding that that would secure substantial new investment in that vital ferry service, and that those of us who did so feel betrayed to some extent by the company?

Mr. Baker: The hon. Gentleman is right. He has hit the nail on the head. People have a right to feel betrayed. They expected a better service from P and O Stena as a result of the merger, and they have not got it. If that service goes, 440 jobs are directly at stake—indeed, some have already gone with the disappearance of the Elite—and the knock-on effect on the wider region would be substantial.

Closure of the line cannot be allowed to happen. All the local authorities and Members of Parliament, in both Newhaven and Dieppe and in their local areas, stand shoulder to shoulder to fight any such proposal.

The French Government yesterday added their support, and I hope that our Government will mirror their attitude today.

I met my opposite number, Mr. Cuvilliez, who is here today, in Dieppe on Monday to discuss the situation. Yesterday he raised the matter in the French Assembly, and I have now provided the Minister's office with a copy of that exchange in advance of today's debate. She will have seen that the French Government have accepted that the matter is

"une question grave et sérieuse".

The French Government also suggest that any closure or even diminution of the line might be contrary to the conditions fixed in Brussels at the time of the merger between P and O and Stena. I have already discussed that idea with the Minister for Small Firms, Trade and Industry, and her office subsequently advised me that the Government do not believe that the merger conditions have been breached. In the light of the French Government's response, however, may I ask the Minister to look afresh at the question, and be kind enough to drop a line to other Members and to myself?

Dr. Desmond Turner (Brighton, Kemptown): I represent a constituency next to the Newhaven area, and Brighton and Hove have a strong interest in the future of the port, which falls within our travel-to-work area. I echo the comments of my hon. Friend the Member for Brighton, Pavilion (Mr. Lepper); he and both I met the management of Stena Line, and were given the same undertakings, which the company has now breached.

I am sure that the hon. Member for Lewes (Mr. Baker) will agree that many commercial complications are involved, and companies are acting with no regard for the impact of their actions on the communities that the port serves. If the line has lost passengers, which it has, precipitately, that is scarcely surprising. The company cannot justifiably use the opening of the channel tunnel to explain the loss, because, as I think the hon. Gentleman will agree, the line has been so appallingly managed that, if the company had set out to deter passengers, it could not have done a better job.

I therefore assure the hon. Gentleman of our support in asking Ministers to do everything that they can to introduce some rationality into the situation so that we can have a future. I am sure that he agrees with me—

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. I have given the hon. Gentleman some leeway, but he must understand that he is making an intervention, not a speech.

Mr. Baker: I do agree with the hon. Gentleman, Mr. Deputy Speaker. I agree with his analysis of the Stena problem, and I am grateful for the cross-party support on the issue. In fact, that was to be my next point.

The level of commitment that Stena showed to the line has waned somewhat since the merger with P and O. The company says that it is experiencing large losses on the line, but there is a strong belief, especially in France, that it is deliberately redirecting freight away from the line and on to its Dover-Calais route. The chambre de commerce believes that £3 million of the alleged £8 million losses is attributable to that alone. P and O Stena has three cross-channel lines. Many people believe that it wants to save money by operating only two, and has decided that Newhaven-Dieppe is the one to go. We need a clear statement from P and O Stena of its position.

There has also been a complete lack of marketing for the line recently, but despite that, despite problems with the boats, despite poor timekeeping and despite the timetable, about 700,000 passengers were carried last year. They used the line in spite of P and O Stena, rather than because of it, because the line would be successful and make a profit if only investment was made in infrastructure, marketing and achieving reliability.

The problems that Newhaven has at present are largely due to the behaviour of Sea Containers and, to a lesser extent, the ferry company. All aspects of the public sector, in this country and in France, have delivered their parts of the bargain and have consistently shown commitment to, and faith in, Newhaven and the ferry link. I must conclude that we would not be in this situation if the port and the ferry were in public hands. That may sound old Labour, or old Liberal, but it is difficult not to draw that conclusion.

Sea Containers is interested only in Sea Containers. Its strategy over the past 10 years has been minimum expenditure—just enough to deal with maintenance of statutory obligations—while bleeding as much money as it can out of the port. It will not invest in the port, nor can it find a buyer. That is, at least in part, due to the fact that it has grossly over-valued the port at £18 million, and has, I understand, borrowed against it. If Sea Containers sold the port for its real value, the over-valuing would be revealed, so it sits tight and bleeds it dry instead.

Sea Containers' latest tactic is to seek planning permission for land it owns in the strategic gap between Newhaven and Seaford. It wants to increase the value of its land to bring it up to the £18 million figure that it has arbitrarily set, should it receive such permission. In such circumstances, it might invest in the port.

Let me be clear: this is an attempt to blackmail the council into giving planning permission that it would otherwise not countenance. Having said that, the council would of course be prepared to consider any proposals, but they would have to be backed up with legal and enforceable guarantees. Sea Containers must come absolutely clean on its detailed plans for Newhaven, and then stick to what it has said. That has not been the case so far. If those plans are made clear, it will then be for people in Newhaven and Seaford to take a view, and make it known to their elected representatives at all levels.

Sea Containers has told me that it is prepared for one year to run a fast ferry on the route during the summer months, if P and O Stena withdraws. That is welcome as far as it goes, but it is not in any way enough. It appears that Sea Containers wants to cream off the profitable summer trade with a craft that requires little on-investment in the port—more bleeding of the port. I say to Sea Containers, "If you bleed the port too much, you will destroy your own asset. The longer you fail to invest, the more businesses will pull out, and the real value of the port will fall further from the arbitrary £18 million figure."

I should like the Government to intervene before breakfast, before lunch and before dinner, and I have six requests for the Minister. First, will she examine the legal position, to which I referred earlier, in respect of the European Commission? Secondly, will the Government

[Mr. Baker]

put pressure on P and O Stena to make its intentions abundantly clear, and to maintain the route at a proper level of boats and investment? Thirdly, will they put pressure on Sea Containers to make its plans clear, and to introduce plans, which it has promised for so long, to invest in Newhaven port?

Fourthly, will the Government consider areas where they could apply for European Union funding for port infrastructure improvements, and support the plans for rail investment through the trans-European rail network, because Newhaven to London is a trans-European rail line? Fifthly, will they consider reallocating the money in capital challenge for the port access road to other port improvements, which could be discussed with the county council and the district council?

Lastly, will the Minister, or one of her colleagues, visit Newhaven to meet people and discuss matters on the ground? I want those six questions answered, but my constituents want one question answered: what will the Government do to keep the ferry going and to save Newhaven? We need a clear and decisive answer today.

1.13 pm

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Ms Glenda Jackson): The hon. Member for Lewes (Mr. Baker) ended his speech with six requests, but there were seven, I think. On the legal position, I will most certainly look into it. On pressure that the Government can bring to bear on the two commercial organisations to which he referred—P and O Stena and Sea Containers—he will be aware that the Government's powers in those areas are limited. I intend to touch on European funding and possible changes to capital challenge later.

On the kind invitation to visit Newhaven, as I have told my hon. Friend the Member for Brighton, Kemptown (Dr. Turner)—I say it now to the hon. Member for Lewes, my hon. Friends the Members for Brighton, Pavilion (Mr. Lepper) and for Hove (Mr. Caplin), and the right hon. Member for Wealden (Sir G. Johnson Smith), who sits on the Conservative Benches—I am happy to meet everyone at the earliest opportunity which is convenient to us all.

The hon. Member for Lewes said that he wished that he did not have to touch on the issues mentioned in the debate. All hon. Members with particular concerns about the port of Newhaven and its surrounding area will share that feeling. Although I am not aware that P and O Stena has made any formal public announcement about the future of the Newhaven-Dieppe ferry route, I am aware, as we all are, of the press reports. My right hon. Friend the Minister of Transport raised that issue with Lord Sterling, the chairman of P and O, because of the high level of public concern. My right hon. Friend was told that the company had not yet reached a final decision.

The hon. Member for Lewes detailed the important role that Newhaven plays in linking the south-east region and markets in continental Europe. Newhaven-Dieppe is the shortest and most direct of the ferry routes, and, like neighbouring Shoreham, is a key port for marine aggregates for the construction industry. The port handles 1.3 million tonnes of cargo, including fruit, vegetables, fish and forest products; passengers, to the tune of 841,000; and about 160,000 vehicles. Its importance to the area is clear.

A number of measures have already been put in place to help the regeneration of Newhaven port and Newhaven town, and I thank the hon. Member for Lewes for the warm thanks that he expressed to the Government office for the south-east.

In December 1996, under the pilot capital challenge scheme, East Sussex county council was awarded credit approval of £6.8 million towards the £7.8 million cost of a port access road, to which the hon. Member for Lewes referred. That road was considered to be the key to unlocking Newhaven. However, following discussions between East Sussex county council and its local partners, it has been decided not to proceed with the port access road scheme as originally proposed. I understand that the county council may consider alternative proposals designed to meet the objectives of its capital challenge bid. We will, of course, consider those proposals carefully, but the county council allocation needs to have been used by March 2000.

The wider regeneration of Newhaven includes £6.5 million of the Government's single regeneration budget challenge funding. That remains available for a range of regeneration projects developed to address strategic objectives in the comprehensive economic regeneration of Newhaven, without regard to the capital challenge project.

East Sussex county council also secured a bid through Interreg, the European funding programme, for a £1 million grant contribution towards the port access road. The Government office for the south-east will continue to discuss with our French partners ways of ensuring that the proposed Interreg support for the regeneration of Newhaven may proceed, possibly in some other form.

In addition, Lewes district council has applied to the Ministry of Agriculture, Fisheries and Food for grant to aid the fisheries aspects of the modernisation of Newhaven port. Grant for a feasibility study has already been made under the PESCA scheme, and Lewes district council has been given approval in principle to grant-aid its proposed west quay scheme at 50 per cent. of £1.35 million.

The Interreg proposals have already demonstrated the potential value of co-operation between British and French partners on the future of Newhaven. I welcome the contact that the hon. Member for Lewes has made with Dieppe, and the work that he has put in to ensure that not only are our French colleagues present here today but that I will have the opportunity to meet them, albeit briefly.

I can well understand the disappointment of the hon. Member for Lewes and, indeed, other hon. Members about the possible loss or curtailment of ferry services from the port. However, it would be premature for me to comment on that matter when decisions have not yet been taken by the ferry operator.

The hon. Gentleman touched on new port development for Newhaven. That could be a matter for the port operator, although the new port access road, which is being publicly funded, could serve such a facility if it meets the original aims of the capital challenge bid. However, any development would require approval from my Department. We have seen no plans and there has been no formal application for such an approval, so I cannot comment on the proposal; nor would I want to say how it might be affected by possible changes to ferry services.

All hon. Members who have joined in this debate or made representations to me have touched on the P and O Stena merger. Indeed, my hon. Friend the Member for Pavilion spoke briefly on that subject this morning. As we know, the European Commission has not yet announced its formal decision on the merger. However, the Monopolies and Mergers Commission's findings do not bear out the contention that the joint venture is to blame for the decline of the Newhaven-Dieppe route.

The report recorded Stena's projections of substantial losses for Dover-Calais and Newhaven-Dieppe if the merger did not proceed. The MMC considered that, in respect of freight, the Newhaven-Dieppe service was more likely to remain competitive within the joint venture than outside it. In respect of passenger services, it considered that the joint venture would improve the potential for the continuation of the existing choice of routes.

In view of the uncertainties, prohibiting the merger would not have been warranted. My right hon. Friend the then President of the Board of Trade took account of the fact that the adverse effects identified by the MMC were expected to arise only after June 1999, when duty-free sales are due to end. She also took into account the MMC's view that there were benefits from the joint venture, which would be lost if the merger were prohibited, and that adjustments of cross-channel capacity are necessary as a result of the opening of the channel tunnel.

The MMC's findings suggest that that would not have been an answer to the decline of the Newhaven-Dieppe route. The Secretary of State's powers in respect of mergers under the Fair Trading Act 1973 are limited to remedying the adverse effects specified by the MMC, not other matters, and therefore cannot be used to require continuation of the Newhaven-Dieppe service.

I well understand that all hon. Members are interested in good accessibility to the port of Newhaven. They are keen to know whether the Government have the power to delay closure until matters have been looked into. There is no power in national shipping legislation that enables the Secretary of State to delay the decision of a private company, taken for commercial reasons, to withdraw from the provision of a ferry service in circumstances such as these. However, I have little doubt that, in the light of the meeting that my right hon. Friend the Minister of State has held with the chairman of P and O, and also of this debate, which will be read with close attention, the concerns that are being expressed in the House by representatives of the people who live in and around Newhaven and the port will be closely considered.

Perhaps hon. Members are thinking of circumstances in which a ferry service is provided as an essential lifeline to a remote community, which has no other realistic means of access and where economic life is entirely and exclusively dependent on that service. Those are circumstances that are covered only by legislation specific to Scotland, and limited geographically to the highlands and islands. The Newhaven-Dieppe route, although important to the area, is not the sole means of access or of economic support.

There have been suggestions that the Government might subsidise the service to assure its survival. However, it is not Government policy to subsidise a service that does not fulfil a vital economic lifeline role—there would have to be no alternative route or method of transport. Clearly, there are other sea routes across the channel, and other means of travel to the continent. We would need to consider very carefully whether a subsidy would be compatible with European Community rules, or whether, on the other hand, it would be a distortion of competition in the market. Clearly, the overriding concern this morning is what is perceived to be the removal of a ferry service, but, as I said, Newhaven is a sizeable port as regards handling cargoes and freight.

Railtrack is investigating the scope to develop several major routes for freight, and, with a group of local authorities, is studying congestion on the south coast rail route from Weymouth to Dover, with the aim of improving services to encourage more use of the route. We are watching that study with close interest. The new freight companies have adopted positive attitudes and ambitious targets, which would quadruple the proportion of freight tonne kilometres by rail in the next 10 years. Rail freight volume has already shown a 5 per cent. growth in tonne kilometres in 1996-97, which is the first such increase in many years.

More needs to be done. We have made it abundantly clear that we are committed to the creation of a strategic rail authority, so that the sort of issues that have been raised here this morning—how we can be best served by our railway infrastructure, where more investment is needed—can be more strategically directed. Indeed, a shadow strategic rail authority will be in operation by next spring, based on the British Railways Board and the Office of Passenger Rail Franchising working closely together under new leadership.

Strategic planning will be an early priority for the shadow SRA, to fill the void caused by privatisation. That work will develop into the strategic plan of the SRA proper. Therefore, it will deal with key long-term issues such as demand, capacity, service levels and investment.

Of course, rail is not the only means of taking people and freight into and out of our ports and it would be grossly improper of me to suggest that. Certainly, our roads play a major part in such movements. The inherited roads programme included a scheme to improve the A27 between Southerham and Beddingham, and representations both for and against were received during the public consultation. A scheme to improve the A26 was withdrawn from the roads programme in December 1995. The A27 Southerham-Beddingham scheme has been withdrawn from the trunk road programme. Problems along that stretch of the A27 will now be tackled in the Southampton-Folkestone study.

We had to examine the environmental impact of all schemes. The Southerham-Beddingham scheme is in a particularly sensitive area environmentally, affecting a site of special scientific interest and the Sussex downs area of outstanding natural beauty, part of which is also designated as an environmentally sensitive area. There was uncertainty about whether the scheme as proposed would have proved the most sustainable solution. For Newhaven and its port, as indeed for the United Kingdom as a whole, the Government believe that we must have sustainable development, and that environmental considerations must always be given the value and importance that they warrant.

The Government are determined to encourage greater use of the railways for passengers and freight. We want improvements in existing rail services and in other

[Ms Glenda Jackson]

transport infrastructures, not least the inland waterways and short-sea shipping. As the topic of debate is in essence a port, I must point out that we will be publishing a daughter document on ports and another on shipping, after the publication of the integrated transport White Paper.

The Government have made it abundantly clear that our overriding goal is to ensure that we can move more freight not only by rail but by using other modes of transport. On rail, we are examining what further action we can take in the context of our integrated transport policy White Paper. We have already taken major steps by overhauling the freight grants scheme. Shortly after coming to office, we doubled the grant available for moving freight from the roads, and we have increased it by a further £10 million for 1998–99. An initiative to publicise that system has resulted in the take-up of all last year's £30 million. Moreover, £32 million of this year's grant money is already accounted for.

I am sure that the hon. Member for Lewes and my hon. Friend the Member for Pavilion—

Mr. Deputy Speaker: Order. It is time for the next debate.

Doctors

1.30 pm

Dr. Ian Gibson (Norwich, North): In many professions, new discoveries, new evidence, new technologies and new problems require a fresh examination of the skills and knowledge that are needed for training programmes, not only for those who are already in the profession but for those who are about to embark on a career within it.

That is particularly true for the practice of medicine, which has changed dramatically in the past 20 years. For example, the results of keyhole surgery and its effects on bed occupation have been dramatic. Indeed, the new organisational structures of the health service have meant that a re-examination of the roles of general practitioners and hospital doctors is vital.

The next 10 years promise to be equally turbulent, as the human genome project unfolds, information technology explodes, new diseases emerge and the public, whose scepticism has been fanned by media scares of incompetence, start to question the adage that the doctor knows best.

Demands for new approaches to medical education are being made. A modern doctor will, for example, need to understand the human genome project, its relevance to patients and its consequences for health programmes. He or she will have to understand predisposition genes for disease and how patients have an individual genetic profile, which will also be relevant to their offspring. I bet that each profile will, following genetic diagnosis, end up like a passport on a microchip.

The result will be—if indeed GPs survive—that advice will have to be given about life styles, risk analysis and on-going treatment. The effects will reverberate around our hospitals, as informed patients ask, "Why this treatment and not that one?" Demands will be made, based on public knowledge, for the best treatments available. Individual patients will need to receive advice on what happens if they smoke or eat this or that. The effects of global warming on disease patterns will also require local, national and international programmes of health management.

As yet, few GPs or consultants are aware of those likelihoods, and I doubt whether they are much considered in medical education in our universities. Past inadequacies—in, for example, occupational health training, toxicology and nutritional studies—will be mirrored in current medical training programmes.

The new considerations will, of course, involve resource spend—insurance companies are already considering, with eagle eyes, the premium consequences for life policies. Patients will need to be well informed before and after genetic tests are proposed. It is clear that doctors will need education in many new areas.

Some doctors will also want to go into research, as happens in the United States, where clinical knowledge and scientific research go hand in hand, Nobel prizes are won and new strategies for disease treatment are evolved. Such doctor training has given rise to new therapies and treatments, and it should be encouraged in this country. The fossilised, ghettoised methods and attitudes that persist in our medical training will need to be fundamentally altered.

Doctors will need to have other understandings and skills. They will need a knowledge of economics to understand the implications of cost analysis and to make decisions about resource allocation. All hon. Members have heard constituents complaining about how difficult it is to get time with the doctor and to understand what the doctor or consultant has said about the treatments that are available. New communication skills and methods of imparting knowledge should be learnt as part of medical training.

An essential part of training could be a project to follow a patient or family through the medical system, the social services and the benefits system. People who were ill when they went into that process can come out even iller as they try to understand the Child Support Agency, for example—benefit problems and unemployment can impart illnesses. Medics must understand the importance of the effect of social conditions on their patients.

The basic scientific programmes—the clinical, medical and surgical skills of conventional training—are still essential, as was recognised in the General Medical Council's 1993 report "Tomorrow's Doctors". Although a few medical schools have made changes to their curriculums as a result of that influential document, it can be argued that the changes required to equip doctors to function effectively in the 21st century must be radical rather than additions to the existing formula. There is serious resistance from the medical fraternity to changes in a well-established system.

I propose the establishment of a new medical structure—let us call it a school—in which we can design a new curriculum and educational process to meet the training needs of the new doctor. That process must be sufficiently flexible to incorporate future changes in training needs.

Such a training programme would ensure multi-disciplinary educational opportunities, which would enable medical students and other health professionals to share learning and experience. Clinical and theoretical aspects of learning should be integrated throughout the training period, so that reflection and debate are the order of the day. Primary and secondary care experience should be balanced to match the needs of medical employment opportunities.

Another essential area of training should be problem solving. That would facilitate the development of self-directed adult learning, so that individuals can take advantage of lifelong learning in the medical workplace. A curriculum should, at the outset of training, integrate such subjects as the economics of health care and resource allocation with basic science teaching. Current and future technology should be emphasised, as should the transmission of knowledge, management of systems of care and the direct assessment and treatment of health.

The global increase in information technology will aid progress and help to disseminate best practice, so that the best treatment and techniques are available to everyone. The new doctor will have science teaching integrated with behavioural sciences, health economics, ethics and public health and will be involved in wide-ranging discussions of disease and health care. He or she will experience clinical and social care settings with professional development built in.

Such developments will not emerge in current medical schools, so an alternative structure—or school—needs to be established in an environment where there are true partnerships between GPs, local trusts and health authorities. An environment is needed in which hospitals and educational research establishments can demonstrate excellence in programmes of science, public health, community health and clinical practice, both in teaching and research, so that clinicians prefer research to private patients.

Such an environment exists in the Yare valley in Norfolk, where a research science park nestles alongside a new hospital with the school of health at the university nearby—they all interact with one another. Medical students and other professional health service workers should be trained in such an environment. The new staff are young and enthusiastic—they provide us with a great opportunity to develop a new medical school with a new concept of teaching. Indeed, I am arguing for a new concept in medical schools, with a new medicine, new training and true interdisciplinarity—I wonder whether the Government are bold enough to allow it.

1.38 pm

The Under-Secretary of State for Health (Mr. John Hutton): I express my gratitude to my hon. Friend the Member for Norwich, North (Dr. Gibson) for choosing to debate this important subject, and I congratulate him on his constructive and thoughtful speech.

Medical education is a significant in-service activity for doctors and virtually all national health service employers. It is also a major investment. Centrally, about £1.1 billion of NHS funding has been allocated this year in England to support undergraduate and postgraduate medical education, of which £478 million is spent on undergraduate and £621 million on postgraduate education.

Further significant resources support continuing professional development. It is right to describe that as an investment: medical education is an investment in the health and care of our population. That is why it is so important, and why it should be valued so highly.

Let us be clear about the purposes of medical education. They are: to produce doctors who can communicate effectively; make a diagnosis; assess prognosis; recommend or carry out treatment; and work as part of a team. The Government want doctors to continue to learn and develop professionally throughout their careers.

I would like to explain how the Department of Health, the universities, the professional and regulatory bodies, and of course the NHS itself, can achieve that. This debate is about looking forward to the future training of doctors, so I want to focus on the current developments and initiatives that are aimed at improving the training experience of doctors and that reinforce the need for lifelong learning.

Medical education is a continuum, from medical student at one end to experienced hospital consultant or general practitioner at the other. Significant reforms to the undergraduate curriculum are being introduced by medical schools as they implement the recommendations in the General Medical Council's report, "Tomorrow's Doctors".

Those important changes encourage flexibility in curricular design and are intended to ensure that future doctors have an improved capacity to respond to changing patterns of disease and to take advantage of modern

[Mr. John Hutton]

patterns of health care delivery, taking account of the whole individual and his or her place in the family and in society. They give greater emphasis to the amount of teaching in a general practice or community setting, to communication and problem solving skills, and to disease prevention and health promotion.

"Tomorrow's Doctors" also drew attention to the need for medical students to develop an understanding of all aspects of human disorder, including the impact of social factors on patterns of disease and disability, and the psychological effect of suffering and disability on patients and their families. As my hon. Friend said, doctors clearly need to understand the roles, responsibilities and skills of the other caring professions. The Government believe that it is important that an understanding of the value of professional partnerships and a capacity for teamwork should be developed during the undergraduate years and beyond.

All medical schools in the United Kingdom are now in the process of implementing the changes. I would like to reassure my hon. Friend that their progress is being closely monitored by the General Medical Council, which has a statutory responsibility to determine the extent of knowledge and skills required for the granting of primary medical qualifications in the United Kingdom.

The Government are determined that the NHS will have the doctors needed to meet the health requirements of the new century. That is why, on 22 July, my right hon. Friend the Secretary of State announced an increase of approximately 1,000 in the intake of medical students in the United Kingdom. The Government plan to admit approximately 6,000 medical students each year by 2005: an increase of almost 1,000 over 1997. My hon. Friend might also be interested to know that there are now more doctors in training in the NHS than ever before.

Ensuring that we have the doctors we need is not only about the numbers trained. The Government want the creation of new student places to act as a driver to ensure that doctors receive the skills that they need to meet the challenges of the 21st century.

Following graduation from medical school, all doctors spend a year in general clinical training as pre-registration house officers. If that is completed successfully, the doctor is then eligible for full registration with the General Medical Council, which has stimulated an important debate about the nature of general clinical training by publishing its report, "The New Doctor". The report contains important recommendations, which the NHS is working to implement, aimed at improving the educational experience of house officers.

The Government recently introduced legislative changes to allow house officers to spend part of their pre-registration year in general practice. Allowing young doctors to get a proper feel for general practice early in their careers is an important development, and I am pleased to be able to tell my hon. Friend that the first placements have now begun on a pilot basis.

Once they hold full registration, doctors can begin their postgraduate or specialist training by spending two to three years in the senior house officer grade. The beginning of specialist training is a key stage in the continuum that will determine the future direction of a doctor's career.

It is widely recognised that the educational experience of doctors in the senior house officer grade could be improved. The Government's main advisory group on medical education is currently preparing an implementation plan for introducing a series of changes aimed at doing just that.

The changes will improve the supervisory arrangements for senior house officers; set targets for increasing the number of posts in educationally approved programmes and rotations; and ensure that the junior doctors receive the careers guidance that they need to assist them in making important career choices. The General Medical Council will shortly publish its own recommendations for improving the training arrangements for senior house officers.

Following their period in the senior house officer grade, doctors usually complete vocational training for general practice or enter a specialty-specific higher specialist training programme. We all expect a great deal from our GP. Vocational training for general practice is intended to produce doctors who are caring and understanding of patients and their families and committed to keeping up to date with developments in practice and to improving the quality of their professional performance.

As well as being knowledgeable about clinical general practice, the Government also want general practitioners to build on their undergraduate training to ensure that they have an appropriate understanding of the impact of psychological factors on illness and of illness on patients and their families, as well as the social, cultural and environmental factors that contribute to health and illness.

We also want GPs who are skilled in communication and have the ability to listen carefully; to explain matters effectively to patients; and to involve patients in decisions about their health. New summative assessment procedures were introduced earlier this year and must be passed by all doctors training for a career in general practice. The procedures test whether a doctor has the required knowledge and skills.

Significant progress has been made in the past two years in implementing the Calman reforms of higher specialist training. As a result of those important reforms, for the first time, about 12,000 junior doctors in higher specialist training are now following structured training programmes encompassing flexibility, choice, competition and regular assessments of progress.

The end point of training is now marked by the award of a certificate of completion of specialist training, which, like the certificates of prescribed and equivalent experience for general practitioners, shows that a doctor has completed a training programme to the required standards. In this case, it means that the doctor is now eligible for appointment as an NHS consultant.

The next stage in the process of implementing the Calman reforms is to deliver the full educational benefits of the changes, which will involve ensuring that, in addition to developing effective clinical skills, higher specialist trainees are able to respond to service changes and to develop further a wide range of competencies, including team working, communication skills, and the ability to identify health needs and understand the opportunities for health promotion.

The pace at which new treatments and clinical techniques are developed, combined with the need to ensure public safety, means that a doctor's education and professional development cannot end with the completion of specialist or vocational training. Independent, fully trained practitioners such as NHS consultants or general practitioners have a duty to maintain and continue to develop their clinical practice. The Government, in turn, have a responsibility, shared with the medical profession and employers, to ensure that appropriate training is available.

My hon. Friend is right to highlight the importance of research in enabling doctors to respond to new discoveries, new challenges and new problems. The national need for trained doctors who are able to apply rapidly expanding knowledge in the biological and social sciences to clinical problems remains paramount. Advances in human genetics will, as my hon. Friend suggests, bring a revolution in health care in the next century. The Government recognise the need to strengthen medical education in genetics at all stages of the continuum of training to ensure that tests are used and interpreted appropriately and efficiently. My hon. Friend may also be interested to learn that the Sanger centre at Hinxton in Cambridge is jointly funded by the Medical Research Council and the Wellcome Trust and is the most prolific public domain institution in the world dedicated to reading the sequences of the bases that make up the genomes of living species.

In publishing their White Paper, "The new NHS", and the recent consultation document, "A First Class Service—Quality in the new NHS", the Government have set out a new integrated, locally based approach to continuing professional development, which matches the needs of individual health professionals with local service objectives and patient expectations. It has set a target for the majority of health professionals to have personal development plans by April 2000.

"The new NHS" White Paper also introduced a new concept of clinical governance which embraces a range of quality assurance processes, such as clinical audit, and acknowledges the importance of continuing professional development and lifelong learning to the delivery of quality patient care in the NHS. Ensuring that the principles of clinical governance are properly reflected in medical education across the continuum provides a challenging agenda for everyone involved in the future training of doctors.

Patients are entitled to expect safe and effective care and treatment by staff who are expert in what they do. I have described a range of important and exciting developments taking place across the continuum of medical education that will ensure that the health service has the medical work force that it needs to respond both to changes in clinical practice and to increasing public expectation. That represents a substantial investment and provides clear further evidence of the Government's commitment to the long-term future of the national health service.

It being before Two o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Sitting suspended, pursuant to Standing Order No. 10 (Wednesday sittings), till half-past Two o'clock.

Oral Answers to Questions

WALES

The Secretary of State was asked—

Territorial Army (North Wales)

1. **Dr. Michael Clark** (Rayleigh): What discussions he has had with the Secretary of State for Defence regarding proposed reductions in the Territorial Army in north Wales. [56576]

The Secretary of State for Wales (Mr. Alun Michael): With your permission, Madam Speaker, may I first say what a privilege it is to stand here as Secretary of State for Wales, although I wish honestly that it could have been under different circumstances? I am sure that the whole House will join me in paying tribute to my predecessor and to the tremendous work that he did on several serious and difficult policy issues during the past 18 years.

We expect an announcement to be made on the Territorial Army in the near future. I have held discussions with both my right hon. Friend the Secretary of State for Defence and my hon. Friend the Minister for the Armed Forces during the past few days.

Dr. Clark: May I congratulate the right hon. Gentleman on his appointment to high office and wish him well? One of his responsibilities will be to ensure that Wales makes a fair and proper contribution to the defence of the United Kingdom. As the Territorial Army is a cost-effective way in which to provide manpower for the Army, will he do his best to ensure that TA regiments, particularly in north Wales, are preserved rather than reduced in size?

Mr. Michael: Wales has always made a distinguished contribution to the defence of the United Kingdom, and that will continue. I am satisfied that the Secretary of State for Defence and the Minister for the Armed Forces are engaged in ensuring that we have the right pattern for the TA for the future.

Sir Raymond Powell (Ogmore): May I be the first Labour Member publicly to congratulate my right hon. Friend on becoming Secretary of State? I am sure both that all hon. Members will share in those congratulations, and that he will do an excellent job.

Will the Secretary of State tell us what he will do not only for north Wales TA units, but for those in south Wales? The needs remain in Wales for the excellent TA, for its recruitment and for the type of person it recruits. Will my right hon. Friend spend some of his energy on ensuring that it continues its excellent work?

Madam Speaker: Order. I should perhaps remind the Secretary of State that the question refers to north Wales only.

Mr. Michael: I am grateful to you, Madam Speaker, for making sure that I do not overlook that. My colleagues at the Ministry of Defence are aware of concerns raised in correspondence in relation to both north Wales and south Wales. They are taking account of those comments as they work to restructure the TA, and they are very much aware of the importance attached to the historic traditions and the ethos of our regiments. I can assure my hon. Friend that they will give every care to the situation in north Wales, but will attend to the needs of south Wales too.

Mr. Richard Livsey (Brecon and Radnorshire): May we, too, congratulate the Secretary of State and associate ourselves with his remarks on the excellent work of his predecessor, which was much appreciated? May I also congratulate the Under-Secretary of State for Wales, the hon. Member for Cardiff, Central (Mr. Jones), on his debut this afternoon?

Will the Secretary of State take note of my early-day motion on the future of the Territorial Army in Wales, both north and south? It is an all-party early-day motion, which has the support of Welsh Members of Parliament who do not wish to see both TA battalions go under in the review. Will he also note that Cwrt-y-gollen camp in Crickhowell trained many TA soldiers from north Wales very successfully and is to be closed by Christmas, with the loss of 40 jobs? Will he ensure that the Welsh Development Agency does something about creating employment there, for example, by building new industrial units?

Mr. Michael: Madam Speaker, as you said that I should not stray outside the boundaries of the question, I will not refer to my experiences going over the assault course in Cwrt-y-gollen. These are matters for Defence Ministers, but, as I have said, we are in contact with them and wish to ensure that the outcome of their decisions is the best possible for Wales. I am grateful to the hon. Gentleman for his comments about my predecessor and myself, as well as my hon. Friend the Under-Secretary. It is some comfort to know that I am not the only person who is new and nervous here today.

Mr. Barry Jones (Alyn and Deeside): I congratulate my right hon. Friend on his high office, in the knowledge that he has a fine record of public work in Wales. To the business now: will my right hon. Friend make sure that, in my constituency, the drill hall at Queensferry does not close—or else? Will he ensure that the 3rd battalion of the Royal Welch Fusiliers retains a headquarters in north Wales, on the understanding that our community would not accept anything else? But we still wish him well.

Mr. Michael: I am grateful to my hon. Friend, who has always been an example to us all in being absolutely specific about the interests of his constituency and his constituents. He serves them with distinction and never allows us to forget them. He is absolutely specific in his question, but I cannot be absolutely specific in my answer. These are matters that have to be dealt with by Defence Ministers, but I am certain that notice will be taken of the comments that my hon. Friend has made today.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy): I congratulate the right hon. Gentleman on his appointment. I remind him, as he is a native of Colwyn bay, that, if there are any cuts in the 500-strong complement of the

Royal Welch Fusiliers territorial branch in north Wales, the Colwyn Bay branch will be the first to close. Will he make the strongest possible representations to maintain this fine regiment, which has worked very cost-effectively?

Mr. Michael: The hon. Gentleman, like other hon. Members, makes a good point about the traditions of the TA and the contribution that has been made over the years. When I spoke to my hon. Friend the Minister for the Armed Forces, he made it clear that he was aware of the different aspects and units of the Territorial Army in north Wales and of their traditions. I am sure that the points that the hon. Gentleman makes will be considered most sympathetically.

Business Start-ups

2. **Mr. Damian Green** (Ashford): If he will make a statement about the number of recent business start-ups in Wales. [56577]

The Parliamentary Under-Secretary of State for Wales (Mr. Peter Hain): As measured by VAT registrations, there were 6,240 business start-ups in Wales in 1997.

Mr. Green: The Minister will be aware that business start-ups in Wales have fallen sharply in 1998, as compared with 1997. Given that the Welsh economy is more dependent on manufacturing industry than the United Kingdom economy as a whole and that manufacturing has borne the brunt of the Government's economic mismanagement, which has led to interest rates being higher for longer than they need be, what measures does the Minister hope to take to improve the situation and persuade the Chancellor of the Exchequer to stop crucifying Welsh manufacturing industry?

Mr. Hain: That question comes from a member of a party which presided over record interest rates, record bankruptcies and record job losses, including those in manufacturing in Wales. As for the hon. Gentleman's specific question about what action we are taking, if he took an active interest in Wales, he would know that we have been working closely with businesses throughout Wales to create opportunities for expansion and growth.

I recently attended the Confederation of British Industry conference as a Welsh Office Minister. The right hon. Member for Wokingham (Mr. Redwood) appeared on the stage there, blinking like a gormless alien, as we in Wales have seen him. All the Labour Ministers on the CBI platform were greeted enthusiastically, because they were preaching partnership with business—

Madam Speaker: Order. The Minister should withdraw the slur that he has just cast against another Member of Parliament.

Mr. Hain: I happily withdraw the remark, which was certainly meant not as an insult, but as an example of humour.

Mr. Allan Rogers (Rhondda): Will the Minister take the opportunity of changes in the Welsh Office to look critically at the policy of refusing help and support to indigenous companies, either to start up or to expand, while giving seemingly endless grants to companies to come in from, say, Japan or Korea? Indigenous companies in south Wales provide a great number of jobs and they need the support of the Welsh Office and the Welsh Development Agency.

Mr. Hain: My hon. Friend makes a strong point about the need for indigenous businesses in Wales to receive proper support. It is important that we redress the balance between support for inward investors and support for home-grown businesses. That is precisely why we have given the WDA new targets to achieve exactly that.

Mr. Dafydd Wigley (Caernarfon): Does the Minister accept that, for every one step forward taken after a lot of work by the WDA, the Welsh Office and others, we find ourselves taking two steps backward as a result of the overvalued pound undermining manufacturing industry and leading to the loss of countless hundreds of jobs in every part of Wales and every sector, including agriculture and tourism? Please will he get the message across to the Treasury that, while the pound remains at an unrealistically high level, it will be impossible for us to overcome the economic problems of our country?

Mr. Hain: The right hon. Gentleman speaks with passion about businesses in Wales and I realise that, at the level at which it has been, the pound has caused difficulties for business in Wales. However, the fact is that the pound is coming down: it is now below the level that we inherited from the Conservatives after the last election. The programme of stability set out yesterday by my right hon. Friend the Chancellor of the Exchequer will create conditions in future in which businesses can expand and export with greater vigour and success.

Mr. Nigel Evans (Ribble Valley): I warmly welcome the Secretary of State to his new position, leading his ministerial team, and I look forward to having a long and constructive dialogue with him over many months to come, without any distractions. Irrespective of where Downing street might wish to send him, I know that he will concentrate on the serious job in hand.

The Secretary of State will know that Barclays bank has just revealed new figures showing that start-ups in the last quarter are 13 per cent down on last year's figure. He will know that there will be no new start-ups in farming. He will know that unemployment in Wales is rising. He will know that exporters find it difficult to export because of the uncompetitive pound and high interest rates. Therefore, will he use his position at the Cabinet table to persuade his colleagues to reverse their policies, which are doing so much damage to businesses in Wales and to the people of Wales?

Mr. Hain: I am sure that my right hon. Friend the Secretary of State is grateful for the sincere congratulations on achieving his new position, if not for the rest of the question. The Government are presiding over a business climate in Wales that is based on more partnerships between Government and business than ever before. The hon. Member need only talk to small businesses and others throughout Wales to confirm that. The record of the previous Conservative Government—

there was an average of 7,689 closures per year during that period—will not occur under the Labour Government, because we are determined to support small businesses.

Farmers (Bankruptcy)

3. **Mr. Lembit Öpik** (Montgomeryshire): What assistance he will offer farmers of smallholdings in Wales who are now technically bankrupt. [56578]

The Parliamentary Under-Secretary of State for Wales (Mr. Jon Owen Jones): Smallholdings are a responsibility of local authorities, under the Agriculture Act 1970, to help new entrants to the industry. The Government provide support to small farmers for farm diversification and business management in addition to the main common agricultural policy schemes.

Mr. Öpik: I welcome the Minister to his new role. We have had pestilence, floods, storms and economic collapse, and it seems that the Book of Revelations is a better predictor of events than Welsh Office forecasts. Will the Minister at least consider providing a substantial package of support for smallholders who are facing bankruptcy to prevent what could be a massive exodus from the countryside as farmers abandon their trade and leave the land?

Mr. Jones: I recognise that the smallholders and farmers whom the hon. Gentleman represents in rural Wales are experiencing problems. I have met many farmers over the past few months and I have close relatives who have suffered gravely. The Welsh Office has invested £200 million in support for Welsh farming this year. Farmers in the uplands of Wales, who were particularly badly hit, have each received an extra £2,000 of support this year. We are concerned; we are trying to do what we can to support Welsh farming and we realise how important that industry is. Unfortunately, there are further difficulties ahead, but we hope to make progress.

Mr. Huw Edwards (Monmouth): Will my hon. Friend tell the House whether the calf processing aid scheme will be replaced when it expires on 30 November? Will he join me in welcoming the news this morning from the European Standing Veterinary Committee that it is recommending the lifting of the European beef ban? If that is done by Christmas, this Government will have lifted a ban that the previous Government caused to be imposed.

Mr. Jones: My hon. Friend makes an important point about the beef ban. We should not be overly optimistic, although there are grounds for optimism with this morning's majority vote in the veterinary committee. However, the final decision must be made by Agriculture Ministers.

It is useful to note how the constructive dialogue that the Government have pursued in Europe has borne fruit as opposed to the previous Government's approach, which produced nothing but headlines and gave the farming industry no support whatsoever.

The Government believe that there is good reason for ending the calf processing aid scheme on 30 November, but Ministers are carefully considering representations from throughout the farming community about introducing another scheme in the near future.

Mr. Michael Jack (Fylde): Welsh agriculture faces its worst crisis for 50 years. I welcome the Minister to his post and press him for more specific answers about when he will stop playing fast and loose with the expectations of Welsh farmers and tell them whether the calf processing aid scheme will be extended, whether they will receive an increase in their hill livestock compensatory allowance and whether they will receive any help under agrimonetary determination or marketing schemes. Those are all questions that the Welsh National Farmers Union has asked and to which the Minister has so far replied with tea and sympathy. That will not do.

Mr. Jones: The brass neck of Conservative Members never fails to amaze me. They criticise the Government for our stewardship of agriculture in Wales and the rest of the United Kingdom, when their almost criminally complacent handling of the BSE problem turned it into a major crisis and gave this Government a legacy of agriculture problems that no other Government have inherited. The Government have the interests of British agriculture at heart and will secure improvements in the near future.

Mr. Alan W. Williams (East Carmarthen and Dinefwr): I congratulate my hon. Friend on his new responsibilities and wish him well in his new job. I understand that his Department, with Ministers from England, Scotland and Northern Ireland, is involved in intensive discussions with the Treasury on a package to help agriculture. Will he give us an idea of what may be in that package and of the timing of any forthcoming announcements?

Mr. Jones: Many people in the farming industry in Wales have asked me that question. The Welsh Office has made strong representations to the Ministry of Agriculture. I believe that my right hon. Friend the Minister of Agriculture has listened carefully to those representations. I anticipate that we may hear from him in the near future, but I am afraid that I could not possibly comment on what he may say and when he may say it.

Mr. Cynog Dafis (Ceredigion): I congratulate the new Minister on his position and wish him well. Will he acknowledge that smallholders and other farmers are suffering seriously as a result of the way in which supermarkets increasingly dominate the position for their own ends? Specifically, will he examine the way in which, in abattoirs, which are increasingly owned by supermarkets, animals are being graded, not according to objective criteria, but according to the specific needs of supermarkets on any one day? Is not that a total perversion of the whole purpose of grading as a method? Is not that also part of a very worrying agenda—a process in which Meat and Livestock Commission officials are involved—which requires strong and effective Government intervention?

Mr. Jones: The hon. Gentleman makes a serious allegation about the influence of supermarkets. There is a

real problem where, perhaps, a small number of retailers have a powerful hold of the market, and that problem is exacerbated when most of the producers in the market are very small units. There may be a need for producers to exert their power in the market by co-operating to help secure good prices.

Social Services

4. **Mr. Andrew Lansley** (South Cambridgeshire): If he will make a statement about the funding of social services by local authorities in Wales. [56579]

The Parliamentary Under-Secretary of State for Wales (Mr. Jon Owen Jones): In Wales, local authorities do not have budgets that are specifically ring-fenced for particular services and they can take their own decisions on where priorities lie at a local level and what funding can be afforded for social services within the overall sums available.

The Welsh Office has recently published a consultation paper, "Comprehensive Spending Review: Modern Public Services for Wales—Spending Plans 1999-2002", and is seeking views on spending allocations for next year and the baselines for the following two years. Spending decisions will be announced later this year, but, in the meantime, participation in the consultation is very much welcomed.

Mr. Lansley: I am grateful for that reply, but is the Minister aware that Powys county council has budgeted expenditure in this financial year of more than 5 per cent. less in cash terms for personal social services than in the year just past, and that, partly as a consequence, it has halved the budget from which the child protection register is to be funded? What action does the Minister propose to take, in discussion with Powys county council, to ensure that that authority has the resources necessary to ensure protection of children in its area?

Mr. Jones: Last year, local authorities in Wales participated in a process, in consultation with the Welsh Local Government Association, to agree on a formula to allocate resources between them. That formula was agreed by all the local authorities, including Powys, and it is the responsibility of local authorities in Wales to decide how they allocate their resources between their various departments.

Mr. Ted Rowlands (Merthyr Tydfil and Rhymney): My hon. Friend will be fully aware of the tragic consequences of the recent floods, which have left temporarily homeless almost 200 in the Merthyr and Rhymney valleys. Will he, therefore, consider not only what assistance and support the Government might be able to give to those families, but the possibility of appointing an inspector to inquire into why flood defences failed so badly on this occasion?

Mr. Jones: My hon. Friend makes a powerful point on behalf of his constituents, more of whom suffered in the floods than in any other constituency in Wales. Rainfall in Wales last week was greater than at any other time in the past 20 years. Fortunately, flooding was not as great a problem as it was almost 20 years ago, in 1979, because of the investment that has been made in flood protection. Nevertheless, I know that people in Merthyr suffered grievously. I shall note very carefully the points that my hon. Friend has made and bring them to the attention of my officials.

Welsh Assembly

5. **Mrs. Teresa Gorman** (Billericay): What estimate he has made of the costs of establishing the Assembly for Wales. [56580]

The Secretary of State for Wales (Mr. Alun Michael): The financial memorandum to the Government of Wales Bill stated that the capital cost of establishing the Assembly was not expected to exceed £17 million and estimated the annual running costs of the Assembly at between £15 million and £20 million in addition to current Welsh Office running costs.

Mrs. Gorman: May I, too, say how nice it is to see a new face in the Cabinet? I hope that the Secretary of State's new appointment does not end up costing him his career in the House. Perhaps, in the budget, he might find some way of commemorating the person who was the driving force behind the concept of an Assembly. However, as only a quarter of the Welsh people supported the idea of an Assembly, and as the Government seem to be having difficulty in selecting a suitable person as their candidate for First Secretary—notwithstanding the qualities of the hon. Member for Cardiff, West (Mr. Morgan)—does the Secretary of State think that there is an opportunity to think again about spending all that money on an Assembly that, in dealing with the affairs of Wales, will have less power than a Bantustan?

Mr. Michael: It is very nice that Conservative Members are showing some interest in the Welsh Assembly. However, it is hardly appropriate for Conservative Members to be giving us advice on how to deal with matters in Wales when two of their number are fighting like cats in a sack for leadership of what will be an insignificant Conservative group in the Assembly. We intend to ensure that the Assembly works well for the people of Wales in delivering our promises to them—which have, over the years, led them to give us such massive support. Leadership of the Assembly will be a matter for the party with the greatest representation in Wales, not for the party that has no representation in Wales.

Mr. Gareth Thomas (Clwyd, West): Does my right hon. Friend agree that there is now a general expectation in Wales that the National Assembly for Wales will improve democratic accountability, ensure better value for public money and help deliver a proper and effective regional economic policy? Does he agree that, if the Assembly fulfils those expectations, it will pay for itself several times over? Does he agree also that, if the National Assembly for Wales is successful in achieving those objectives, the people of Wales will owe a debt of gratitude to my right hon. Friend the Member for Caerphilly (Mr. Davies), the former Secretary of State for Wales, for his vision and determination in ensuring that the National Assembly becomes a reality?

Mr. Michael: Yes, indeed—my hon. Friend makes a very powerful point. I paid tribute to that work at the beginning of today's Question Time, and on a number of occasions in the past week. There has certainly been a gap in democratic accountability in Wales, which, over many years, many of us have fought to put right. I look forward to the Assembly being very effective in delivering better standards in public service, health, education and job creation for the people of Wales.

Dr. Liam Fox (Woodspring): May I be the last, but not the least sincere, to welcome the Secretary of State to his post? On the wider question of costs, what does he believe would be the cost to the standing of the First Secretary in the Welsh Assembly if he were thought to be a conscript and not a volunteer?

Mr. Michael: It is extremely important that the First Secretary should lead the Welsh Assembly with distinction and vigour. I promise the hon. Gentleman that the Labour party will provide that.

Dr. Fox: We might get an answer from the new Secretary of State if I put the question in a different way. Does the Secretary of State believe that there would be a conflict of interest for an individual serving both as Secretary of State for Wales responsible to the Cabinet and as First Secretary responsible to the Welsh Assembly? Is it possible to serve two masters?

Mr. Michael: The hon. Gentleman obviously did not look carefully at the answers given when those issues were debated in the House before.

NHS Funding Levels

6. **Mr. David Amess** (Southend, West): If he will make a statement on the planned funding levels for NHS provision in Wales. [56582]

The Parliamentary Under-Secretary of State for Wales (Mr. Jon Owen Jones): Following the outcome of the Government's comprehensive spending review, we announced in July an indicative additional budget of more than £1 billion for health for the next three years. My right hon. Friend is consulting on spending plans for 1999-2002 and will announce his decisions later this year.

Mr. Amess: Will the Minister confirm that, according to the British Medical Association, the concentration of health resources on reducing Labour's record hospital waiting lists is producing clinical distortions, so that patients who need urgent operations must wait longer, while simple procedures are carried out in order to massage the figures?

Mr. Jones: I am pleased to announce that, in the next month in which figures will be published, we anticipate a drop of almost 2,000 in the number of in-patient day cases from August to September and a further drop at the end of October. I am not aware that that has been achieved at the expense of people who are waiting longer.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1.[56606] **Mr. Brian H. Donohoe** (Cunninghame, South): If he will list his official engagements for Wednesday 4 November.

The Prime Minister (Mr. Tony Blair): This morning, I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall be having further meetings later today.

Mr. Donohoe: Although I welcome the commitment given by the Chancellor of the Exchequer in his statement yesterday to increased investment in key areas of our economy, may I put a specific question to my right hon. Friend? Can he give a specific date for the signing of the contract for the new air traffic control centre in Scotland?

The Prime Minister: I know of my hon. Friend's long-standing interest in this matter and the strength with which he has put it forward because of its importance to his constituency. I cannot give definite commitments as negotiations are continuing, but I understand that final plans are due to be submitted to the Government by the end of November and that, subject to agreeing and finalising the details, the aim is to start construction by mid-1999. That will be good news for Scotland, as much of the construction will be locally sourced.

Mr. William Hague (Richmond, Yorks): *The Economist*'s survey of independent forecasts for next year puts Britain at the bottom of the growth league for the whole western world. Why does the Prime Minister think that that is so?

The Prime Minister: It is for precisely the same reasons that it puts us ahead for this year and in three years' time—that is, as a result of the economic cycle. All the forecasts put us ahead for this year and in the future. It is for the same reason that forecasts have been downgraded, for example, for the United States of America—people would not call that a weak economy. The single most important thing that we can do is hold firm to the course of economic stability; the worst thing that we could do is follow the Conservative policy of slashing public spending and reversing Bank of England independence.

Mr. Hague: Does the Prime Minister not think that the fact that those surveys put us at the bottom of the growth league for the whole western world has something to do with the 17 tax rises by the Chancellor, the failure to tackle welfare spending, the tax on savings and pensions, higher-than-necessary interest rates, and the extra £40 billion of business regulations and taxes loaded on to the businesses of this country? If the Prime Minister wants to repeat what he said about forecasts in three years' time, is he aware that, since the Chancellor announced his policies in the summer, independent forecasters have

downgraded growth for this country more than for any other country in Europe and America? Is that meant to be a coincidence?

The Prime Minister: No. It simply is not right either. As a matter of fact, growth forecasts throughout the world have been downgraded. The International Monetary Fund has downgraded world growth. The European Union has downgraded growth forecasts for the EU. Every country is in the same position.

I could do no better than to quote the words of the director general of the CBI. He said:

"I don't think this downturn was essentially made in Downing Street. Certainly there is no danger at the moment to believe that we will have recession like in 1991. There are several features of our economic policy which are in a much sounder position than they were in 1990."

Mr. Hague: Why does the Prime Minister not listen to the west midlands chairman of the CBI, who said—*[Interruption.]* It is interesting how the Government like to laugh at business people in the front line of our economy and take the word of people who sit in offices instead. The chairman said:

"We are in for a hard and rocky time."

Why did the Prime Minister not look at the CBI survey that showed business confidence at the lowest for 18 years, or the Item Club that says that 0.5 million manufacturing jobs will go? In the mean time, the Chancellor says, "Do nothing. Worry about nothing. Publish fantasy forecasts." Has not the Chancellor failed to make the hard choices that would allow the full 1 per cent. cut in interest rates that this country needs?

Is the Prime Minister going to look at the actual figures for growth forecasts—maybe we will get him to read them—the survey of all independent forecasts, which shows this country's growth going down faster than any other country's? He can have a look at it after Question Time. Was not yesterday a massive missed opportunity to reverse the blunders of the past 18 months and to do something to save people's jobs and businesses?

The Prime Minister: The short answer to that is no, I do not agree with the right hon. Gentleman at all. As for his claim that we were laughing at the director general of the CBI in the west midlands, let me tell him that we were actually laughing at the right hon. Gentleman. The reason for that is very simple. Everyone knows, as indeed the Chancellor said yesterday, that there is no denial of short-term difficulty, and no diversion from long-term strength. Of course we are forecasting a slowdown in economic growth and that slowdown is being mirrored literally throughout the world. The question is: what is the best way to get us through this economic slowdown. We say that it is to hold firm to Bank of England independence, the £40 billion spending on health and education and the extra spending on infrastructure. We say that it is to keep in place the new deal and the working families tax credit. The shadow Chancellor yesterday pinned his colours firmly to the mast. The Conservatives are now in favour of scrapping Bank of England independence, cancelling the spending next year and cancelling the new deal and working families tax credit. If any of those things are wrong, let the Leader of the Opposition get up and say so now—*[Interruption.]*

Madam Speaker: Order. We are carrying on.

Mr. Robert Sheldon (Ashton-under-Lyne): Will my right hon. Friend consider announcing the Government's intention to join the economic and monetary union, without setting a date? Would that not help to underpin the Chancellor of the Exchequer's Budget? Would that not reduce interest rates, reduce the level of the pound, improve investment and lead to that rarest of economic phenomena—a free lunch?

The Prime Minister: I do not agree that there is a free lunch in this set of circumstances. We have made it clear what the policy is. It was set out by the Chancellor last year. It was repeated both by the Secretary of State for Trade and Industry and the Chancellor a few days ago.

That is the right policy for us: to make it clear that the economic circumstances are those of sustainable economic convergence and clear and unambiguous economic benefits. But we would be wise to steer between either saying that we will join irrespective of the economic conditions, or taking the position of the Conservative party, saying that we will never join and we will have a negative, destructive position towards Europe—*[Interruption.]* I am sorry if I have that Conservative party policy wrong as well, but it is difficult to keep up with it nowadays.

Mr. Paddy Ashdown (Yeovil): The Prime Minister says that the Government's policy on the single currency is clear, but on Monday the Trade Secretary described when we would join the single currency and on Tuesday the Cabinet enforcer rushed round saying that we should wait and see if we join the single currency. Which is the Government's policy?

The Prime Minister: Both the Trade Secretary and the Chancellor of the Duchy of Lancaster outlined the position entirely correctly. To join, the circumstances must be right. Those circumstances are that there is sustainable economic convergence and the economic benefits are clear and unambiguous. The right hon. Gentleman's policy is to join irrespective of convergence and of whether the economic benefits are clear and unambiguous. He shakes his head. He has the chance to ask another question. If his view is that he would join only when the economic benefits are clear and unambiguous, he supports our policy.

Mr. Ashdown: The Prime Minister must answer for his policy. Let me remind him that one of his Cabinet Ministers has said "when" and another has said "if". They cannot both be right. When will the Government realise that this is the most important decision facing our country? The Government cannot abandon leadership in favour of a policy of nods and winks. For as long as they do, the Cabinet will remain confused, the country will remain without a lead and British industry will continue to suffer.

The Prime Minister: Let me repeat: to join, the circumstances must be right. We do not believe in joining

irrespective of the economic circumstances. Those circumstances are that there must be sustainable economic convergence and the economic benefits must be clear and unambiguous. That is a plain and sensible policy. It steers between the extremes of the Liberal Democrats saying that they will join irrespective of the economic circumstances and the Conservatives saying that they will not join irrespective of the economic circumstances. In this case, I think that the third way is right.

Q2.[56607] **Mr. Jim Murphy** (Eastwood): My right hon. Friend is aware that, for years, many hard-working families have been stuck in a poverty trap. Those hard-working families will benefit from the working families tax credit, the disabled persons tax credit and the record increase in child benefit. Will he give a clear undertaking that his Government will continue the search for policies that reward hard-working families and in so doing will ignore the protests of the Conservatives, who, while in government, did so little for the families most in need?

The Prime Minister: We shall hold firm to the policies on the new deal and the working families tax credit. There could be nothing more crazy or disastrous in economic policy than to cancel both those items at the moment, because we would be withdrawing support in the new deal at the time of an economic slowdown and we would be preventing low-income families from getting the help and incentives that they need to get into work. I assure my hon. Friend that we shall resist Conservative calls to cancel the new deal and the working families tax credit. They make that case not on economic grounds, but for ideological reasons. The Conservative party is moving further and further to the right, but that is not where the British people are.

Q3.[56608] **Mr. Jonathan Sayeed** (Mid-Bedfordshire): With an ailing president, a corrupt economy and an unpaid military, Russia is in dire need of generous international financial assistance. I believe that it is in all our interests to provide it. We fear that terrorists and rogue states may gain access to Russia's weapons of mass destruction—its nuclear, chemical and biological weapons—and use them or threaten to use them against us. Why does not the international community negotiate to purchase some of Russia's weapons of mass destruction, perhaps using the aid budget, and arrange for them to be destroyed under international supervision on Russian soil?

The Prime Minister: I agree with the general anxiety expressed by the hon. Gentleman, but I do not agree with his proposals. We have already shown strongly that we are ready to support Russian reform efforts. The International Monetary Fund has made it clear that it will do so, provided the economic reforms that we have asked for are put in place, otherwise there is a danger of simply putting good money after bad.

We and our partners are already assisting Russian disarmament. The United Kingdom has, for example, supplied specialised equipment for transporting nuclear warheads for destruction. We are leading international efforts to retrain redundant military officers for civilian life. We are encouraging Russia to ratify START 2 and move on with negotiations for START 3—the strategic arms reduction talks. There are many practical difficulties in buying up warheads; so, together with Russia and our other international partners, we are exploring ways in which to reduce the potential dangers posed by the stockpiles of weapons of mass destruction. That is a better way to proceed.

Mr. Ivan Henderson (Harwich): Will my right hon. Friend assure me that no Labour Government would wait 18 years before listening to the people?

The Prime Minister: We listened to the people very successfully before the election, and we must carry on doing so.

Q4.[56609] **Sir Paul Beresford** (Mole Valley): Many extremely able business men in my area are deeply worried. They have many questions because they find the answers that the Prime Minister has given to date to be implausible. I should like to ask just one on their behalf. On one hand, the Prime Minister has downgraded his growth predictions—Treasury predictions are lower, and some of the others that we hear of are lower still—yet on the other hand, the Chancellor is saying that tax revenues for next year will remain the same. At the very least, there is a dichotomy. Will the Prime Minister clarify it?

The Prime Minister: The growth prediction for this year, on which revenues are based, has not been downgraded. It is the growth prediction for next year that has been downgraded. There is a perfectly simple answer to the hon. Gentleman's question. Most business men, including ones in his constituency, would prefer us to abandon any notion of policies that will lead to boom and bust, such as reversing Bank of England independence. Above all, they want to avoid the 7 per cent. drop in manufacturing output that we had under the Conservatives, and the boom-and-bust policies that gave us double-digit interest rates for four years—four years of interest rates of more than 10 per cent.—and interest rates of 15 per cent. for more than one year. That is the policy that we must avoid.

Mr. Michael J. Foster (Worcester): Does my right hon. Friend agree that the Government's approach to the single currency is good for business and good for Britain? Does he also agree with a constituent of mine, Mr. Neil Bucktin, who wrote:

"The Conservative Party no longer wishes to face the future . . . it is hardly surprising if businessmen turn their attention to Labour"?

Mr. Bucktin is chairman of Worcester Conservative Association.

The Prime Minister: I am in favour of as broad an alliance as possible, as my hon. Friend knows. I would add that, as my right hon. Friend the Chancellor emphasised on Monday, it is important to make preparations so that British business is in the position to handle the advent of the euro, because it will be affected by it. When we came into office, we found no serious preparation had been made by the Conservative party when in government. The worst thing that we can do is stick our heads in the sand, ostrich-like, which is the Conservative party's position.

Q5.[56610] **Mr. Damian Green** (Ashford): The Prime Minister will be aware that, in another place this

afternoon, there will be a vote on whether next year's European elections will operate under the completely undemocratic closed list system that he prefers, or under a preferable open list system, which gives voters some choice. Indeed, I hear talk that he and his colleagues are so worried about the result that Liberal Democrat peers are being invited to vote against their party's policy and in favour of the Government's. Why does the Prime Minister object so much to giving voters choice and the freedom to express individual views on whom they want to send to the European Parliament? Will he admit that, for him, when it comes to competition between open democracy and central control, democracy loses every time?

The Prime Minister: One of the great advantages of having the Home Secretary sitting near me is that he can inform me that the closed list system was pioneered by the previous Government in Northern Ireland.

Q6.[56611] **Mr. David Borrow** (South Ribble): Business leaders at the CBI conference in Birmingham this week expressed support for the Government's policy of preparing the economy for possible United Kingdom entry into the single European currency. They also expressed support for the Government's spending plans, and felt that they were sustainable and that cuts in public spending were not required. In view of the policies put forward by the Conservative party on both those issues, does my right hon. Friend agree that it will be many years before that party regains the confidence of UK business?

The Prime Minister: It is important that we hold to the plans for the £40 billion investment in our schools and hospitals precisely because it is the right investment for the future of the country, and because, in economic terms, this is the right time to make that investment. As for the social security spending, the vast bulk of the increase is accounted for by uprating pensions in line with prices, and by uprating child benefit; I assume that the Conservatives now oppose doing both. The shadow Secretary of State for Social Security has told us that he opposes the working families tax credit—

Mr. Iain Duncan Smith (Chingford and Woodford Green): Keep family credit.

The Prime Minister: The hon. Gentleman says that we should keep family credit. The opposition make policy as they go along—*[Interruption.]* Even if they are not listening to the people, at least they are listening to me. That is an advance, I feel.

Mr. Duncan Smith: We created family credit.

The Prime Minister: The hon. Gentleman says he is in favour of family credit, yet the vast bulk of the remainder of social security spending is the old family credit. He says that he opposes the new working families tax credit, which gives better help to low-income families. What a ridiculous economic policy to have.

Mr. William Hague (Richmond, Yorks): Last week, the Prime Minister said that, when the Jenkins report was published, he would be able to say whether he would meet his commitment to have a referendum in this Parliament. Now that the report has been published, is the answer yes or no?

The Prime Minister: The answer is as set out by the Home Secretary last week. As for the timing, it has always been envisaged that it would be before the next election. That remains an option, but obviously, in the light of the specific nature of the Jenkins recommendation, as the new system cannot be introduced until the election after next, that remains an option too.

Mr. Hague: What is wrong with yes or no? Let me remind the Prime Minister what he said last week, when I asked him whether he was still committed to a referendum in this Parliament. He said:

"We have made it clear that we will state our position when the Jenkins committee reports tomorrow."—[*Official Report*, 28 October 1998; Vol. 318, c. 329.]

Now he still does not have a position. Is that not because the Jenkins commission served up a dog's breakfast for the voters of this country? As the Prime Minister is fond of quoting the Home Secretary, I remind him that the Home Secretary said last week that the recommendations were much more complicated than the Government had expected. Does he agree with his Home Secretary about that?

The Prime Minister: What I actually said to the right hon. Gentleman was to wait and see what the specific recommendation was. It could have been for a system that could have been introduced at the next election, but as a matter of fact the report recommended a system that cannot be introduced until after the next election. That is why I have set out the policy. It is perfectly clear. If the right hon. Gentleman does not agree with it, that is up to him.

Mr. Hague: The Prime Minister wants the country to have a preferential voting system, but he cannot state a preference between yes and no. He has now avoided two simple questions, one of which was only whether he agreed with the comments that the Home Secretary made last week. He cannot say anything with any meaning on the subject because half his Cabinet and half his party disagree with the proposal. We can understand the attractions for him of a voting system that would get rid of a lot of them, but he has the Chancellor's economic policies to do that; he does not need the Jenkins commission. Why does he not now abandon the ludicrous nonsense of trying to gerrymander our voting system?

The Prime Minister: I notice that the right hon. Gentleman is rather happier talking about that than about the economy. The Tories' position is clear: they do not want a discussion, they do not want a debate, they do not want any change—but they are always against constitutional change. They were against devolution in Scotland and Wales; now they are in favour. They were against a freedom of information Act, and against reforming the House of Lords. I am more open minded. I prefer to let a debate happen.

Mr. Harry Barnes (North-East Derbyshire): Does the Prime Minister agree that decommissioning of weapons in Northern Ireland is not the same as surrender?

It occurred with terrorist groups in El Salvador and in the Lebanon in 1991. Should not there now be a timetable—the sooner, the better—so that we get rid of weapons in Northern Ireland?

The Prime Minister: I would like decommissioning to start immediately. That has been the position of the Government all the way through, and remains the position. I hope that we can find a way through the current impasse which ensures that everybody has the confidence of knowing that, when they are engaged in negotiations about the future in Northern Ireland and, in particular, when they are engaged in matters to do with the government of Northern Ireland, they can be sure that those with whom they are negotiating and discussing those issues have given up violence for good.

Q7.[56612] **Mr. Richard Livsey** (Brecon and Radnorshire): Will the Prime Minister use his good offices and his friendship with the new German Chancellor, Gerhard—*[Interruption.]*

Madam Speaker: Order. Mr. Skinner, order.

Mr. Livsey: I knew that he was connected with banking—Gerhard Schröder.

Will the Prime Minister do everything that he can to lift the ban on British beef exports? Did he raise that subject with Mr. Schröder on Monday, when they met? Is he aware that the European Union Standing Veterinary Committee today voted in favour of the date-based scheme, but by an insufficient majority? Will he proceed to ban the beef war and, indeed, sign the armistice soon, before Christmas?

The Prime Minister: I am pleased that the hon. Gentleman is on first-name terms with the German Chancellor. I certainly raised BSE with him. There is not a single Prime Minister, Minister, head of state or Head of Government anywhere in the European Union who does not get the full lecture on BSE, every time that I see any of them. On the BSE position, we had a simple majority of states in favour of lifting the ban. That is important, because it means that, if we hold that majority when we come to the Council of Ministers meeting, the Commission proposal, which, obviously, we support, goes forward.

We hope to do even better than that, but there is a lot of hard negotiating to do. Today's simple majority in our favour, although not enough to achieve a conclusion today, is a big step forward. We have to do an awful lot now, in terms of the measures that my right hon. Friend the Minister of Agriculture, Fisheries and Food is discussing with the farming industry and within the European Union, to help our farmers through the next few months.

Q8.[56613] **Shona McIsaac** (Cleethorpes): Will my right hon. Friend sort out a mathematical conundrum for me? I have a report from my local newspaper in which the Tories claim that waiting lists at Grimsby hospital have increased, yet the hospital has confirmed that the decrease is more than 1,300. Will he send his congratulations to the hospital on that marvellous achievement, and send the Tories to numeracy classes?

The Prime Minister: I am happy to do at least the first of those. Waiting lists are coming down, in my hon. Friend's area and in other areas, too. They were rising, year upon year, under the Conservatives. If we had proceeded with the Conservative plans to cancel the extra investment—the £40 billion in schools and hospitals—waiting lists would be even worse. There is only one party in whose hands the national health service is safe, and it is the labour party.

Q9.[56614] **Mr. Andrew George** (St. Ives): Does the Prime Minister agree that the multilateral agreement on investment, if resurrected by the World Trade Organisation, would be nothing more than a solution without a problem? Does he believe that his friend in France, Mr. Jospin, was right or wrong to withdraw French Government support from the MAI?

The Prime Minister: We have made it clear that we support achieving agreement. I do not agree with the hon. Gentleman that the MAI is a solution without a problem. All these measures are part of trying to break down barriers to trade between countries. This country is a trading nation, and it is in our interest to have trade that is as free and open as possible. I would have thought that that was in the best traditions of the Liberal party.

Ms Linda Perham (Ilford, North): Will my right hon. Friend welcome the Wye Plantation agreement on the middle east and congratulate all the parties involved? As he knows, the problem with the Oslo accords has been getting the backing of the people for the agreement. Will he and our European Union partners do their best to assist the process and ensure that there is a lasting peace in the region?

The Prime Minister: I am happy to congratulate President Clinton and all those who were involved in negotiating the Wye memorandum. We will do all in our power to support the agreement. We will be discussing options for European Union action at the General Affairs Council on 9 November. Certainly, as far as the EU is concerned, we stand ready to play our part. The agreement was a tremendous achievement and it is important that the memorandum gets the support of as many countries as possible. I have already discussed it with Chairman Arafat and Prime Minister Netanyahu and I look forward to doing so again.

Q10.[56615] **Mr. Tim Collins** (Westmorland and Lonsdale): If global factors were the reason for cutting the growth forecast for 1999, what global factors justify increasing the forecast for 2000?

The Prime Minister: Precisely because—if the hon. Gentleman had bothered to research his question more closely he would have known-all forecasts are for a slowdown next year and a pick-up in growth later. The reason is that, because of the global financial crisis, there is an effect in Asia and 25 per cent. of the world is in recession, but, in time, recovery will happen. Therefore, it is important to steer the course of stability that we have outlined, and not to engage in the panic-stricken policies of the Conservative party, which would reduce the possibility of lower long-term interest rates by scrapping the independence of the Bank of England and cancel the investment that we have made. At some point in time, it would be interesting to have a coherent economic policy from a coherent Opposition.

Speaker's Statement

3.31 pm

Madam Speaker: I have a short statement to make to the House. I see from the number of red poppies in evidence that it has not escaped the attention of hon. Members that next Wednesday the House will be in session at 11 am on 11 November. I regard it as appropriate for the House to join the nation in observing the two minutes' silence at that time to remember those who gave their lives for their country and to preserve our democratic freedom. I shall be in the Chair at that time and I invite hon. Members to join me on that occasion. I hope that similar arrangements will be made in Committees. Instructions will be issued to heads of department that members of staff who are working and who want to observe the silence will be enabled to do so.

Points of Order

3.32 pm

Mr. Alex Salmond (Banff and Buchan): On a point of order, Madam Speaker. Have you had any intimation that the Secretary of State for Trade and Industry may make a statement on the implications of the millennium bug for vital services? A letter has come into the public domain today from the Secretary of State for Scotland to the Secretary of State for Defence. Apart from showing that the former seems to receive the mushroom treatment in the Cabinet—kept in the dark, with all the implications that flow from that—the letter expresses the right hon. Gentleman's fears that vital services such as electricity and telecommunications may be severely interrupted and that the Territorial Army will no longer have sufficient strength to respond to civic emergencies in some parts of the country.

That view is different from the view that the Government have expressed on the implications of the millennium bug. Is that now the Government's position—or is the Secretary of State for Scotland out on a limb again? At the very least, we should have an immediate statement from the Secretary of State for Trade and Industry to clarify the position.

Madam Speaker: I have not been informed that the Secretary of State wants to make a statement today. The hon. Gentleman can seek a statement either through the usual channels or perhaps in a question to the Leader of the House in business questions tomorrow.

Mr. Gerald Bermingham (St. Helens, South): On a point of order, Madam Speaker. On Monday, in a question to the Leader of the House, I mentioned the number of questions that the Leader of the Opposition asks at Prime Minister's Question Time and the amount of time taken. Today, that amounted to six minutes in the first half and four minutes in the second—exactly one third of the time was therefore taken up by questions from the Leader of the Opposition. That cannot be right, as all hon. Members have equal status in the electorate's eyes. May I urge you, Madam Speaker, to use your good offices to arrange either for fewer questions to be asked or for someone to give instruction on how to ask short and pertinent questions?

Madam Speaker: The Leader of the Opposition is entitled to ask six questions at Prime Minister's Questions, but daily I plead with hon. Members to ask brisk questions and with Ministers to give brisk answers. I am afraid that, most of the time, my pleas fall on stony ground. However, I am pleased that some hon. Members are noticing the fact that we are not getting through the Order Paper at Question Time as quickly as we should, not only at Prime Minister's Questions but daily.

I place on record again my plea to all hon. Members—whether they are Front Benchers or Back Benchers—for brisk questions. Surely hon. Members can work out a question before they come into the Chamber, so that they know what they want to say instead of rambling on. I hope

[Madam Speaker]

that Ministers, too, will take my admonitions to heart, as their answers tend to be far too long—quite unnecessarily so on many occasions.

Sir Peter Tapsell (Louth and Horncastle): Further to that point of order, Madam Speaker.

Madam Speaker: Yes, Sir Peter—I hope that you are going to support me.

Sir Peter Tapsell: Indeed I am, Madam Speaker. I am going to go even further and suggest that the solution to the widely acknowledged problem of Prime Minister's Questions is that we should revert to the practice of having them on Tuesdays and Thursdays. Will you support the House by making representations to that effect to the Prime Minister?

Madam Speaker: I will certainly let the Prime Minister know of the hon. Gentleman's point of view.

Housing (Home Repossessions)

3.36 pm

Mr. Adrian Sanders (Torbay): I beg to move,

That leave be given to bring in a Bill to enable and require the Housing Corporation to be joined in all possession proceedings by mortgagees against mortgagors in respect of the principal home of the mortgagor and his family.

The aim of the Bill is to reduce the social and welfare costs of repossessions by enabling people to keep their homes. It explores a way forward to find a more humane and, in the longer term, cheaper method of dealing with repossessions.

The Bill is timely, as the number of actions entered for repossession is rising once more and, given current economic trends, will continue to rise. Although no one expects the numbers to reach the levels of 1991 and 1992, each and every repossession is a human tragedy and a drain on the Exchequer. The Bill is also timely because of the Government's concerns about family breakdown.

Between 1969 and 1980, the number of repossessions a year was, on average, about 3,400. That number rose steadily to 26,390 in 1987 before falling to 15,810 in 1989. Between 1989 and 1991, there was an almost fivefold increase—to 75,000—in the number of repossessions. Since 1991, the number has decreased, although figures for the first half of 1998 show a small increase on those for the first half of 1997. Now, therefore, is the time to act.

People fall into mortgage arrears for a number of reasons, of which loss of income is by far the most common—it is cited in 70 per cent. of cases. A quarter of people in arrears mentioned as a factor household changes such as the loss of a partner, pregnancy or a new baby. A further quarter mentioned increases in mortgage or other regular repayments, although those reasons were rarely given in isolation.

There are added pressures on borrowers who fall into arrears. Government policy has run against the most vulnerable groups of householders. The previous Government cut the availability of income support for mortgage interest; new borrowers who lose their jobs now have to survive for the first nine months of unemployment without such help.

The change was intended to prompt a significant increase in the use of private insurance, which would replace the safety net of income support. Before the October 1995 changes, take-up of private insurance was between 12 and 16 per cent. The highest estimate of current take-up is 21 per cent., but according to the Chartered Institute of Housing that may be overstated.

The critical issue is whether those most at risk are likely to be insured. The evidence shows that they are not. About a third of borrowers would be eligible for income support if they lost all their income; of those, three quarters have no mortgage protection insurance, so at least a quarter of all borrowers have no protection and no means of paying for up to nine months if they lose their income.

A related issue is the effectiveness of private insurance. About 20 per cent. of claims are not met. That may be for legitimate reasons, but in some cases claims are rejected because of pre-existing conditions, which gives cause for concern about mis-selling. Home buyers are less secure than they were before the most recent recession.

Mortgage interest rate support has fallen further behind most people's actual repayments. The basket of interest rates used in the calculation for support includes only building societies and not the mutuals that have converted to banks, with their generally higher rates. Add in the delay between interest rate changes and the recalculation of income support, and one does not need a crystal ball to see that mortgagee arrears among welfare-dependent home owners will continue to rise.

The financial cost to those whose homes are repossessed is significant: there are legal expenses; interest payments on arrears; court fees and administration costs involved in fighting possession orders; and of course debt on the property, which the borrower will continue to owe.

The costs to the welfare budget include increased demand for social housing, through people applying directly to registered social landlords or going through the local authority homelessness route; increases in the housing benefit bill; the cost to local authorities of housing families in temporary accommodation; and the administrative costs of letting properties. It has been estimated that between 1990 and 1994 25 per cent. of households were initially rehoused in the social housing sector following repossession. Repossessions currently account for about 10,000 social housing units.

The personal cost should also be considered. Repossession leads to increased stress, which can lead to relationship breakdown and greater demand for health services. Children may have to change schools through having to move, and the emotional impact can lead to disruption in educational progress.

When courts make repossession orders, a social renting option is not considered, but for some people a conversion to rent, or even partial rent and shared ownership, could be the answer that allows them to stay in their home until financial circumstances improve. The Bill proposes that the court be allowed to consider the option of the lender's interest in the home being bought out by the Housing Corporation or another appropriate body, which would then rent the house back to the family or even grant a mortgage.

The Bill's requirements are not onerous. The court already has at its disposal the relevant evidence and an expert witness. District judges have a lot of experience in repossession matters. The Bill would allow the court to consider more options, and could result in a practical and humane resolution. It could hold out to families the hope that they could become home owners once again.

If we are to avoid a repetition of the misery experienced by thousands of households in the early 1990s, the time to act is now.

Question put and agreed to.

Bill ordered to be brought in by Mr. Adrian Sanders, Mr. A. J. Beith, Mr. Chris Pond, Mr. Steve Webb, Mr. Martin Bell, Jackie Ballard, Mr. Peter Luff, Mr. Nigel Jones, Mr. Stephen Twigg, Mr. Mike Hancock, Mr. Barry Gardiner and Mr. Paul Burstow.

HOUSING (HOME REPOSSESSIONS)

Mr. Adrian Sanders accordingly presented a Bill to enable and require the Housing Corporation to be joined in all possession proceedings by mortgagees against mortgagors in respect of the principal home of the mortgagor and his family: And the same was read the First time; and ordered to be read a Second time tomorrow, and to be printed [Bill 254].

Opposition Day

[20TH ALLOTTED DAY]

The Economy

Madam Speaker: I have selected the amendment standing in the name of the Prime Minister.

3.44 pm

Mr. Francis Maude (Horsham): I beg to move,

That this House notes that there is now a black hole in the public finances; that the increased burdens on business since the General Election now account for £1,500 more per employee; that the UK will be the first major European economy to suffer a serious downturn and the worst affected; further notes that the Government is squandering the last Government's golden economic legacy by its four basic blunders of increased taxes, attacks on savings, particularly pensions, excessive regulation of business and irresponsible public spending; and deplores the Government's complacent attitude to the handling of the economy and public finances.

The highest responsibility of the British Chancellor of the Exchequer is to tell the truth about the British economy and to set out for Parliament and the people the real prospects, the real problems and some real answers. Yesterday, the Chancellor casually abandoned that responsibility. He thought he could carry on for ever spinning a web of words that would protect him from reality. Yesterday, he had a duty to tell the truth, but we got a fairy tale.

The responses of economists and commentators to the Chancellor's forecasts have spanned a wide range, from scepticism to outright disbelief. What has caused most disbelief is that he not only downgraded his forecast for next year by much less than the consensus, but he—almost alone—has upgraded his forecast for future years. What has happened between June, when he made his last forecast, and now to encourage him to upgrade his forecast for future years? The clear answer is that he was becoming aware that, with growth on a downward path, a black hole was appearing in the Government's public finances.

The analyses that have been done by outside commentators, by the National Institute of Economic and Social Research, by Goldman Sachs and by many others show that the Chancellor is seriously at risk of failing to meet his supposed golden rule. The growth forecasts were crucial to his analysis and it was crucial for his credibility with Labour Members that he produced figures that showed that a black hole did not threaten the economy. So what did he do? He performed a classic bit of results-driven analysis. Instead of the usual process of rubbish in, rubbish out, Ministers got the rubbish out first and decided separately how to put the rubbish in.

Mr. Barry Jones (Alyn and Deeside): Will the right hon. Gentleman give way?

Mr. Maude: I shall continue to outline my argument for a little while longer, if the hon. Gentleman will allow me. That process is why we have had that incredible upgrade of future forecasts and why the responses range from scepticism to disbelief. Bronwyn Curtis of Nomura says:

"Clearly his growth forecasts are much more optimistic than the market's . . . forward looking surveys suggest output has fallen off a cliff."

The National Association of Pension Funds says:

"The growth forecasts are a hostage to fortune".

Paribas says:

"Our central forecast is for 0.9 per cent. growth and we think all the risks"—

not the balance of risks, but all the risks—

"are on the downside. The chancellor's central forecast is for 1.25 per cent. growth. I hope he is right, but I believe he is wrong."

HSBC says:

"There's not a case for growth turning round in the following years."

However, that is the central assertion the Chancellor makes and on which he bases his optimistic outlook. Anthony Hilton, the city editor of the *Evening Standard* writes today:

"What is going to happen to put the British economy back on to its sustainable growth path? Why should it bounce back so soon and so conveniently when the rest of the world economy may be going to hell in a handcart . . . it was 'Crisis? What crisis?' all over again."

Philip Stephens writes, in that well known Labour-supporting newspaper the *Financial Times*:

"We shall know soon enough whether Mr Brown's gamble on optimism pays off. I hope so, but I fear not. The danger is he will become trapped in his own rhetoric."

Mr. Barry Jones: When I first came to the House, the right hon. Gentleman's father was a Conservative Front-Bench spokesman who displayed great courtesy and was always unflappable. He demonstrated his mordant wit both in the Chamber and at his party conference. The son is not as good as his father.

Will the right hon. Gentleman tell my right hon. Friend the Chancellor to his face that he welcomes the £250 million for our national health service?

Mr. Maude: I am sorry that the hon. Gentleman spoilt what I took to be an affectionate tribute to my late father, which I appreciated.

The hon. Gentleman asked whether I supported the extra money for the health service. Contrary to what the Chancellor has repeatedly asserted—I heard him do so again on the radio this morning although he knows that it is not true—and contrary to what the Prime Minister said at Question Time, we have welcomed the increases in spending for health and education. We did so at the outset, and we have done so again. Let there be no doubt about it: that is what we say, and we shall say it again. The Chancellor can carry on, but Adlai Stevenson's old phrase applies: if he stops telling lies about us, we will stop telling the truth about him.

Mr. Derek Twigg (Halton): The Opposition's motion refers to "irresponsible public spending". What would the right hon. Gentleman cut from the £40 billion allocated to schools and hospitals?

Mr. Maude: I suggest that the hon. Gentleman re-read his election manifesto, and the words of his Prime Minister. I can well understand that many other people do not believe what the Prime Minister says, but I should have thought that the hon. Gentleman would believe it.

The Prime Minister said that Labour would increase spending on health and education by cutting social security bills. The Treasury engaged in a fierce argument over social security spending for a year with the then Secretary of State who, against all the odds, defeated it, a feat for which she was dismissed.

Mr. Twigg: Answer.

Mr. Maude: The hon. Gentleman has his answer.

The Chancellor has made a reckless three-year commitment on money that our economy has not earned. Problems are coming down the track as a result.

Mr. Twigg: Answer me.

Mr. Maude: I shall give the hon. Gentleman a specific answer. We do not believe that family credit—a good system that has worked well—should be abolished to be replaced by a system that will, for example, entitle some families who are higher rate taxpayers earning up to £39,000 a year to receive tax credits and welfare benefits. If the hon. Gentleman wants to say that a system that takes money from people at 40 per cent. on the one hand and gives them a welfare benefit with the other is a good use of taxpayers' money, let him stand up and do so.

Mr. Twigg: I am grateful to the right hon. Gentleman for giving way again. Will he say specifically what he would cut from the £40 billion allocated to schools and hospitals?

Mr. Maude: The hon. Gentleman should simply read his election manifesto. I assume that he stood on the same manifesto as his colleagues. It contained a clear commitment, which the Labour party has broken.

I was encouraging the Chancellor by referring him to some of the comments that have been made about yesterday's statement. No one believes that his downgrade of the economic forecasts to a mid-point of 1.25 per cent. is at all credible. The poll of forecasts in *The Economist*—a serious piece of work, regularly done among independent forecasters in the UK and other countries—finds a mid-point of 0.8 per cent. The most recent Treasury consensus of outside forecasters shows a mid-point of 0.9 per cent. How the Chancellor can justify making a forecast for the economy that is above all of those no one in the outside world can understand or believe—and I hope that the next intervention will be a little more sensible.

Mr. Geraint Davies (Croydon, Central): Will the right hon. Gentleman confirm that that same independent group of forecasters was forecasting a growth rate of 1.4 per cent. when, in fact, the revised projection for 1998–99 is 2.25 per cent?

Mr. Maude: The hon. Gentleman should look at what the forecast says. The consensus group suggests that the most recent forecasts—those made during October, which is the most up to date—come out at a mid-point of 0.9 per cent. How does the Chancellor reconcile that with his mid-point forecast of 1.25 per cent? It just does not add up, and he knows it.

The reality is that the Chancellor has made these numbers up to justify his public spending figures. There is one league that the Chancellor has come out top of. He has come out top of the fantasy forecast league.

To sum up the response, there is none better than Bridget Rosewell, the director of Business Strategies, who said:

"A combination of nice words signifying little, with an attack on business . . . set against forecasts nobody believes."

What coloured the Chancellor's statement and all his pronouncements, and those of his team since, has been arrogant complacency. He thinks that it is all right just to use the language. It was interesting to run a word count on yesterday's statement. Poor old "prudence" is down to only 10 mentions now. She is on the way out—bit out of favour now, as if we did not know. She has been replaced by the Chancellor's new best friend "stability". She rated 14 mentions in the course of his speech. The clear winner of the word count race was "long term", with a record 18 mentions. Well, that is pretty rich from a Chancellor whose idea of the long term is what is in next week's headlines.

Mr. Ian Stewart (Eccles): Will the right hon. Gentleman give way?

Mr. Maude: In a moment. I shall just point out something else that will interest the hon. Gentleman.

We searched and searched for one word that I thought must feature in the Chancellor's statement. It is high in the minds of countless people up and down the land. He knows the word pretty well; he used to use it a great deal. That word is "unemployment". That is what he left out. There was not a single mention of unemployment, not a single mention of job losses, not a single mention of redundancies; and even more shamefully, not a single measure to prevent unemployment.

Yvette Cooper (Pontefract and Castleford): Will the right hon. Gentleman give way?

Mr. Maude: In a moment, once I have given way to the hon. Member for Eccles (Mr. Stewart). What a slap in the face for people facing day by day, thanks to the Chancellor's policies, the prospect of losing their job and their livelihood! They will have been disgusted by his complacency.

Mr. Ian Stewart: Does the right hon. Gentleman believe that it is a useful use of a shadow Chancellor's time to count words—and then only three?

Mr. Maude: I will let the hon. Gentleman into a carefully guarded secret. One can do a word count on a computer very easily now. The Chancellor spent half his time yesterday prating on about information technology, about which he seems to know a little. At least he has heard of it. The hon. Gentleman does not seem to have heard of it.

Yvette Cooper: If the right hon. Gentleman cares so much about unemployment, why does he want to cut the new deal and the working families tax credit, which make work pay for working families?

Mr. Maude: The hon. Lady has learnt the soundbites very well. I commend her. She is very new Labour—learn

[Mr. Maude]

the soundbite and forget about the substance. The reason is that the new deal pilots have not worked. That is why we think that it is a waste of public money and a fraud perpetrated upon a great many people.

Ms Margaret Moran (Luton, South): Will the right hon. Gentleman get his abacus out and, instead of counting words, count the 300,000 people who by next year will have been assisted by the new deal? That is about employment, not unemployment, on which the Conservative Government had such a poor record.

Mr. Maude: If the hon. Lady thinks it matters so much, when she goes back to her constituency this weekend and people talk to her about job losses and the threat of redundancy and say, "Hang on, I didn't hear the Chancellor say much about that in his statement on Wednesday," what is she going to tell them? Is she going to say, "It's all right—he just doesn't care about it"? She is going to have to defend the Chancellor, whose policies are creating unemployment and job losses every day of the week. He did not think it mattered; he did not bother to mention it.

The Chancellor of the Exchequer (Mr. Gordon Brown): First, will the right hon. Gentleman recognise that welfare to work and the new deal are tackling unemployment? Secondly, will he recognise that there has been a 30 per cent. fall in unemployment in his own constituency over the past 18 months? Will he now give us straight answers to the following questions? Is he saying that the Conservative party is going to go into the next election to scrap the new deal? Will he confirm that he will go into the election to scrap Bank of England independence? It is about time we had some answers.

Mr. Maude: The right hon. Gentleman comes here crawling for advice on how to get out of the mess he got himself into. If he is so interested in Bank of England independence, why does he not ask the Chief Secretary to the Treasury whether he believes in it? Why does he not stop the Chief Secretary making gaffe after gaffe, when he stands at the Dispatch Box or goes on the radio telling the Bank of England that it should cut interest rates? If he cares so much about Bank of England independence why does he not do what the Bundesbank or the American Fed do—have people appointed for eight years or 14 years? He knows that members of the Monetary Policy Committee were appointed for three years by him and that their appointments will come up for renewal before the next election. Is that independence?

Mr. Brown: Will the right hon. Gentleman answer the questions? Will he scrap the new deal and will he scrap Bank of England independence? The Leader of the Opposition did not answer those questions, so will the shadow Chancellor have the courage to tell us?

Mr. Maude: What I shall tell the right hon. Gentleman about Bank of England independence is that he has made a botched job of it. He has bungled it. He does not believe that it works and nor does the Chief Secretary, which is why his adviser spent his time in Washington briefing, behind his hand, against the Bank of England; and why the Chief Secretary goes on television and stands in this Chamber putting pressure on the Bank to change its policy and cut interest rates. They do not believe in Bank of England independence, that is for sure.

Mrs. Teresa Gorman (Billericay): Is my right hon. Friend aware that the chairman of Marks and Spencer does not agree with the Chancellor either? He has announced that the company will have to transfer much of its manufacturing to other countries because the current Government have imposed so many regulations and extra costs on the company that it can no longer afford to buy British. Is my right hon. Friend also aware that the chairman of Marks and Spencer yesterday reported a fall of a quarter in the company's profitability and said that we were in for a rocky ride? Perhaps my right hon. Friend would like to give his opinion on whether the Chancellor or the chairman of Marks and Spencer is better at predicting the future.

Mr. Maude: My hon. Friend makes the point that, week by week, many companies for which Britain used to be the best location for manufacturing and doing business are deciding that they do not want to do business in Labour's Britain. That is sad, because it means that the businesses on which people's jobs depend are failing.

Ms Gisela Stuart (Birmingham, Edgbaston): Will the right hon. Gentleman give way?

Mr. Maude: No. I want to make some progress and I have already given way many times.

The Government's arrogant complacency continues. As late as this morning, the Secretary of State for Trade and Industry said that business was "upbeat". He said that on the same day as the latest survey by the Chartered Institute of Purchasing and Supply showed the slowdown spreading from manufacturing to the service sector. The CIPS director general said that

"growth in the service sector continues to decline as the level of new business has fallen. Both business and consumer confidence are deteriorating."

That is not the only such survey—the Institute of Directors survey tells a similar story.

Labour Members might not like it and they might prefer to rest on the warm words that flow endlessly from the Chancellor, but that is the real world in which people have to live, work and do business. It would be helpful if they recognised that.

Mr. Michael Wills (North Swindon): Will the right hon. Gentleman give way?

Mr. Maude: No, I want to make progress, and this is a short debate.

The Institute of Directors survey revealed a fall in company optimism over the past quarter. Not a week goes by without another survey showing a downturn. The CBI industrial trends survey demonstrates that confidence is at its lowest level for 18 years. So whom has the Secretary of State for Trade and Industry been talking to? All that evidence matters because one cannot solve problems unless one recognises them, but it is different for the Chancellor and the Trade Secretary—they live in a problem-free world where any talk of problems is just

idiotic hysteria. Why does the Chancellor not talk to people who are doing business in difficult circumstances and find out whether they think that such talk is idiotic hysteria?

The Chancellor had the chance to put matters right but he has blown it. He is now simply playing the blame game, as the hon. Member for Gordon (Mr. Bruce) said yesterday. The Chancellor should not blame the world. Why, in the midst of all the problems around the world, is Britain doing worst? Why, in the economic downturn, is Britain in worst and in first? *The Economist* survey shows that Japan is the only industrialised country forecast to be weaker than Britain next year, and Japan is mired in a deep slump. The next weakest country after Britain is forecast to have twice Britain's rate of economic growth next year. If the downturn is due to global problems, why is Britain worst and first? That may have something to do with the Chancellor and his arrogant refusal to accept that there is a problem.

Ms Stuart: The right hon. Gentleman has spoken of arrogant refusal. What is his position on the Bank of England's independence? Would the Tories reverse that policy?

Mr. Maude: I realise that as the Chancellor has made such a mess of that, the hon. Lady is anxious for guidance on how to sort it out. The one absolute certainty is that the policy cannot be left as it is. It was a botched job; it breached an election commitment; it is not working; and it must be sorted out. We shall make our proposals in due course.

Mr. Tim Collins (Westmorland and Lonsdale): Does my right hon. Friend agree that it is a little rich for a party that refused to tell the public its policy on the Bank of England three days before the previous general election to expect us to clarify our policy three years before the next election?

Mr. Maude: My hon. Friend makes the point well. We see the Chancellor smiling nervously because he knows that what he said before the election was sharply at odds with what he did. That is why the policy was botched and he got it wrong, and it cannot be left as it is.

Mr. Edward Davey (Kingston and Surbiton): Will the right hon. Gentleman give way?

Mr. Maude: No, I want to make progress.

I return to why Britain is in first and worst. The Chancellor said blithely yesterday that every country has downgraded its forecasts because of world events. If one compares *The Economist* poll with what was forecast in June when the Chancellor published his fiscal and economic strategy, one finds that there have been downgrades—not universally, but in almost all industrialised countries—but no country in Europe has been downgraded as much as Britain. Not only is *The Economist* proposing a worse growth forecast for Britain next year than for anywhere else in Europe, but it has downgraded its forecast for Britain by more than for anywhere else.

Japan is the only industrialised country in the world that will have less growth than Britain—we know about Japan's problems—and the only other comparable country is Australia, which also has a downgrade of 1 per cent. However, even that is a downgrade from 3.2 to 2.2 per cent., so the proportional downgrade is very much less than Britain's. There is a problem, and it is a problem for Britain, which will be first into the downturn and, as I said, will have the worst growth of any country except Japan.

Mr. Alan Johnson (Hull, West and Hessle): You have said that three times before.

Mr. Maude: The hon. Gentleman should listen. Things have to be said three times if Labour Members are to understand. They are living in their own little fantasy world, with fantasy figures, adrift from the real world where there are problems that need to be solved.

Mr. Edward Davey: Will the right hon. Gentleman give way?

Mr. Maude: The hon. Gentleman made such a silly point earlier that I shall not give way to him.

We have said this before and we shall say it again: the Chancellor took over a golden economic legacy. There were the best prospects for a generation.

Yvette Cooper: Will the right hon. Gentleman give way?

Mr. Maude: I have given way to the hon. Lady once; I shall make progress now.

The economy was showing growth faster than that of any other major European country. It had low inflation—the longest period of consistently low inflation seen in Britain for nearly 50 years—and we hit our inflation target. There is nothing very special about all the stuff that the Chancellor was saying yesterday about having brought inflation down; he has simply managed to get inflation back to where it was when he inherited it.

We had low unemployment—unemployment had been falling steadily. The Chancellor now takes credit for its continuing to fall for the first year and a bit after he took over. It is very nice of him to take the credit for it, but I honestly do not think that it was his doing. That was part of the economic legacy, and it has taken some time for the malign effects of his change of policies to come through—sadly for those people who, week by week, are losing their jobs.

Mr. John Bercow (Buckingham) *rose—*

Mr. Jonathan Sayeed (Mid-Bedfordshire) *rose—*

Mr. Bercow: Will my right hon. Friend give way?

Mr. Maude: If my hon. Friend will forgive me, I shall not give way. I shall make progress now.

We also saw record inward investment. What is happening today is very different. Business failures are up already. The Dun and Bradstreet survey shows that, after five years of falling business failures, the figures are rising. Jobs are being lost and factories closed; it is happening all the time. I have a very long list of job losses

[Mr. Maude]

and factory closures. Many of them are extremely familiar to the Chancellor; many of them are taking place in constituencies represented by Labour Members.

Labour Members know the truth. The Chancellor could not see it yesterday but, when he announced his growth forecast for next year of 1 to 1.5 per cent., we saw the looks of blank disbelief on the faces behind him. Labour Back Benchers did not believe him any more than did the commentators outside.

That is the reality—job losses, factory closures. What should the Chancellor be doing about it? Why did he commit the country to three years' public spending way above any conceivable growth in the economy? He is behaving exactly like the hedge funds that he was so keen to criticise earlier in the week—making long-term commitments against short-term revenues. He is being as irresponsible and reckless as they were.

As a result of that recklessness, Britain will bear the burden of higher borrowing—and, therefore, of higher interest rates than would otherwise have been needed.

Yvette Cooper: Will the right hon. Gentleman give way on that point?

Mr. Maude: No; I shall not give way.

Why did the Chancellor attack savings as he did? I am sorry not to see the Paymaster General in his usual place; or perhaps he is in his usual place. How crass it was to let the Paymaster General loose on the savings culture that had been so carefully built up over the years, with his bungled plan to scrap PEPs. In March, the Red Book showed the savings ratio falling gradually over the Parliament, but already, such a short time later, the savings ratio is down by a quarter—at just the stage in the cycle when people should have been encouraged to save more, not less. The effect has been to push money into consumption, and to push interest rates higher than they need have been. Well done, Paymaster General: another outstanding contribution to British business.

Why did the Chancellor chase up business costs as he has? He knows, because his figures and the Red Book show it, that his business taxes and the Government's extra regulatory burdens will cost British business £40 billion a year. That is the cost of Labour: £1,500 for every person employed in this country.

Yvette Cooper: Will the right hon. Gentleman give way?

Mr. Maude: No, I shall continue; I am drawing to an end.

The Chancellor talked a great deal yesterday about productivity. Apparently, low productivity is now entirely the fault of British workers and British managers—it is all their fault. The Chancellor, the Trade Secretary and the Prime Minister wander round the countryside lecturing British business men and workers on how they must work harder and do better, and on how low productivity is all their fault and nothing to do with the Government. However, the Chancellor should listen to some comments made by business people who have invested in Britain in recent years.

In October 1995, three years ago, the president of Philips said:

"The most competitive country in Europe today is the UK.

It has a great sense of realism, a great sense of competitive spirit—the factories we have in the UK are the most changed factories in the world.

For manufacturing, Britain is the most competitive country in Europe today."

What has changed? Has the work force changed? Has the management changed? Has the country changed? No, only one thing has changed—the Government.

In October 1995, BMW—which owns Rover, and was memorably told last week by the Trade Secretary to sharpen up its act—stated:

"Great Britain is currently the most attractive country among all European locations for producing cars.

This results from the structural reforms initiated by Margaret Thatcher in the early 1980s".

What has changed? Why is BMW now closing plants, laying people off and reducing capacity? What has changed since 1995?

The Prime Minister may remember that Siemens opened a plant in his constituency. In August 1996, Siemens stated:

"Our decision to build the new semiconductor plant here in the UK is a recognition of the pro-business environment which exists and the skills and commitment of the British workforce"—

Several hon. Members *rose—*

Mr. Maude: I shall not give way.

The chief executive of Siemens went on:

"But let me make one point clear here, and that is that we have not invested here because we see the UK as a low-wage economy. On the contrary."

The Government have concerns about productivity? Those great multinational companies chose to come to Britain because Britain was a good place to do business. Why are those companies now closing their plants and laying people off? What has changed, besides the Government? Nothing.

The Chief Secretary to the Treasury (Mr. Stephen Byers): Will the right hon. Gentleman give way?

Mr. Maude: No, I shall not give way; I am finishing my speech.

It was 10 Downing Street, not the Opposition that ascribed psychological flaws to the Chancellor. Although I would not go along with that ascription—I would go along with economically flawed, for sure—I encourage the Chancellor to keep open somewhere in the dark recesses of his mind a tiny place where he acknowledges even the merest possibility that he may be wrong. He knows that the price of his mistakes will be measured in lost jobs and business failures. If that happens because of his arrogant complacency, he will never be forgiven.

4.17 pm

The Chancellor of the Exchequer (Mr. Gordon Brown): I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

"notes that the Government inherited an economy set to repeat the same cycle of boom and bust seen over the past 20 years, that inflation was heading way above target because of the previous Government's failure to accept the Bank of England's advice and the public finances were in large structural deficit; recalls that under the previous Government inflation rose to 10 per cent, interest rates remained in double figures for four years and one million manufacturing jobs were lost, while net borrowing increased to £50 billion and the national debt doubled in just four years; notes that the previous Government's policies increased inequality and failed to tackle the structural weaknesses in the economy; commends this Government for its decisive action to build a stable economy, introducing a new framework for monetary policy under which inflation is now at target and set to remain there and interest rates are less than half their previous peak, reducing government borrowing by £20 billion last year and, because of prudent management of the public finances, remaining on track to meet its tough fiscal rules and invest an additional £40 billion in education and health, with an extra £250 million for the National Health Service this year, addressing structural weaknesses by tackling unemployment and poverty with the New Deals and tax and benefit reform, supporting British business by cutting corporation tax, doubling public investment to improve Britain's infrastructure and addressing Britain's productivity gap; and notes that there are now 400,000 more people in employment than at the General Election and that Britain is better placed to steer a course of stability in an uncertain and unstable world.".

I am grateful to the Opposition for today's debate, which gives us an opportunity to explain why independence of the Bank of England is the right policy for Britain; why international financial reform is necessary to deal with the world situation; why the welfare-to-work programme introduced by the Government and the working families tax credit—which Conservative Members would abolish—are the right policies for Britain; why there is a productivity gap that even the previous Government recognised had to be dealt with, even if the shadow Chancellor will not admit it; and why good, efficient public services, in which we will invest £40 billion over the next three years, are right, and the best thing for Britain's future.

I do not think that the House or the country will take lectures from the former Financial Secretary to the Treasury, who glossed over the fact that, between 1990 and 1992, when he was Financial Secretary, interest rates were without exception above 10 per cent. During that time, interest rates went up to 15 per cent., the public sector deficit was rising to £50 billion, unemployment was rising by a million, manufacturing output was falling by 7 per cent., manufacturing investment was falling by 15 per cent. and inflation rose to nearly 10 per cent. That is why the country will take no lessons from the Conservative party on how to run the economy.

Mr. William Cash (Stone): Does not the Chancellor accept that the real reason for the catalogue that he has just set out is that we mistakenly stayed in the exchange rate mechanism for far too long? Furthermore, are not the policies that he is pursuing, including the granting of independence to the Bank of England, in pursuit of a policy that means that we will no longer have control over our economy? Both he and the Secretary of State for Trade and Industry clearly committed themselves to that policy at the recent CBI conference. Does he accept that, by throwing away our ability to control our own affairs, he will condemn this country and those who work in it to massive continuing unemployment?

Mr. Brown: I know that the hon. Gentleman seeks every opportunity to bring the European debate to the Floor of the House, and I was grateful for his support during the general election campaign by raising those issues, but the mistakes made in the late 1980s were to allow inflation to get out of control, to allow wages to rise uncontrollably—to 11 per cent. in 1990—and to have interest rates at over 10 per cent. for four years.

The hon. Gentleman asks about the Bank of England and monetary policy. By making the Bank of England independent, we have set in place a long-term monetary framework for this country. It is the first building block of an economic strategy for the future. The shadow Chancellor says that that must all be changed. In other words, his policy is to scrap independence of the Bank of England—

Mr. Maude *indicated dissent.*

Mr. Brown: The right hon. Gentleman shakes his head. Is that his policy or not?

Mr. Maude: As the Chancellor has made such a mess of it, it cannot be left as it is. If he could not tell the country what his policy was three days before the election, we shall not outline our final policy three years in advance. However, one thing that is for certain is that, because he has botched and bungled independence of the Bank of England, it cannot be left as it is. Most people agree with that.

Mr. Brown: The Opposition say that they have the answers to the problems of the economy, but they cannot answer the first fundamental question about monetary policy. I take it that the right hon. Gentleman would not leave the Bank of England in control of interest rates. He says that it must be changed. He is at odds not only with the rest of the country and the Labour party, but with many sensible Conservative Members, who know that it is the right course of action for the country.

Mr. Kenneth Clarke (Rushcliffe) *rose—*

Mr. Brown: I shall give way to someone who supports a central bank, even if it is an independent central bank in Europe.

Mr. Clarke: I did not seek to intervene on that point. However, I happen to believe in the liberty of Back Benchers to be attracted by the independence of the Bank of England. I know of no independent central bank whose membership comprises full-time officials of the Bank of England plus academic economists who are friends of the Chancellor and his advisers, nor a central bank that has made such mistakes as unnecessarily to raise our interest rates to the highest level in the developed world to avoid an inflationary boom that was never a danger.

In reply to my hon. Friend the Member for Stone (Mr. Cash), the Chancellor talked as though he took over the economy in 1988 rather than 1997. He draws comparisons with the boom and bust of the late 1980s,

[Mr. Clarke]

not with what he actually inherited. The last peak in interest rates was, if my memory serves me right, at 6.5 per cent., when we achieved a soft landing in 1996. We then resumed steady growth and falling unemployment, for which the right hon. Gentleman has just taken credit. We hit an inflation target of 2.5 per cent., which he and his botched-up independent bank have wrecked.

Mr. Brown: That was an amazing intervention by the former Chancellor. He wants to forget the 1980s and the fact that he was Secretary of State for Trade and Industry and for Employment, and held many other Government offices, just as the shadow Chancellor wants to forget that he was Financial Secretary to the Treasury between 1990 and 1992. They cannot escape their record: interest rates at 15 per cent., and they were above 10 per cent. for four years. The answer to that is to have a credible long-term framework for monetary policy. I am glad that he now agrees that there is an attraction in the independence of the Bank of England.

Perhaps now Conservative Members can resolve this problem among themselves. The former Chancellor supports the idea of independence; the shadow Chancellor opposes it. Perhaps they should have a referendum of their party members to resolve the problem.

Sir Peter Tapsell (Louth and Horncastle): As the right hon. Gentleman knows, I have made several speeches in the previous Parliament and in the present one explaining why I wholly oppose an independent central bank, but I speak for myself. Assuming that the Bank remains independent, may I put this important point to him—a technical point that he should consider?

It will not have escaped the right hon. Gentleman's attention that the new Finance Minister of Germany, Mr. Lafontaine—presumably he has a good deal of political sympathy with him—has been telling the European central bank that he is extremely unhappy that it is limited by the Maastricht treaty to having purely an inflation target. As he has made clear publicly, he wants those criteria changed to include growth and employment.

If we had to go on with an independent central bank, which I hope we will not, can we not move at least to change its criteria, so that it has to take account of growth and employment, and becomes much more like the Federal Reserve bank in the United States, which does not operate with such narrow criteria and instructions?

Mr. Brown: I am grateful to the hon. Gentleman for entering the debate about the independence of the Bank of England. The Conservative party now seems to be as divided on that as it is on Europe. The former Chancellor is attracted to it, the shadow Chancellor is clearly against it, and now a Back Bencher says that he has to speak in a personal capacity because he does not know what the policy is.

Sir Michael Spicer (West Worcestershire) *rose—*

Mr. Kenneth Clarke *rose—*

Mr. Bercow *rose—*

Mr. Brown: I must take the intervention of the hon. Member for West Worcestershire (Sir M. Spicer). Perhaps he can tell us what the policy is on the independence of the Bank of England.

Sir Michael Spicer: I was wondering what the Chancellor's policy was. He has made a virtue of the independence of the Bank of England, yet it seems that he is one of those who have been outed as hellbent on handing over its powers to the central bank of Europe and on abolishing all its independence. How does he square those two things?

Mr. Brown: We have set the five economic tests for membership of the single currency. On the future of the Bank of England, the reason why I support independence and believe that the Conservative party, on reflection, will believe that it is against the national interest to scrap the independence of the Bank, is because, for 30 or 40 years, this country has lacked the long-term monetary framework that is necessary for stability—long-term objectives that are set down clearly, free of party politics and short-term pressures, rules that the Bank and the system have to follow, and transparency in the reporting of decisions.

One reason why long-term interest rates fell from 7 per cent. and why the differential with Germany, which has been a low-inflation country, has narrowed on long-term interest rates is precisely because we made the Bank of England independent.

Mr. Malcolm Bruce (Gordon) *rose—*

Mr. Brown: Of course the Liberal Democrat party supports us in that, although not in everything else. I do not believe that any sensible political party will veer from that position.

Mr. Bruce: Will the right hon. Gentleman acknowledge the curious position of the Conservative party on this issue? The only major country in the G7—indeed, in the western world—that still does not have an independent central bank is Japan, which the shadow Chancellor has been pointing out is locked in a serious slump, and is hardly an ideal role model for having a bank that is under political control.

Nevertheless, will the Chancellor acknowledge that the shortness of the appointments to membership of the Monetary Policy Committee has been a genuine issue? Will he accept that it would be much preferable if those appointments were extended beyond the life of a Parliament, so that independence would not only be granted, but go beyond the life of any single Government?

Mr. Brown: I am happy to enter a debate about the future arrangements for the Bank of England. I believe that the arrangements that we have set down, with a five-year appointment for the Governor and up to four years for membership of the Monetary Policy Committee, are right. We are hearing sensible questions about the way forward from the Liberals. We have not heard what the Conservatives would do. Would they scrap the independence of the Bank of England? If they cannot answer that question soon, nothing in their economic policy has any credibility. The shadow Chancellor—

Mr. Maude *rose—*

Mr. Brown: Ah, the shadow Chancellor is going to answer the question now. I am very grateful to him.

Mr. Maude: I am getting fed up with the Chancellor of the Exchequer, who would not even answer the

question on polling day, yet is pressing for an answer from us three years before the election. There was nothing about the issue in Labour's manifesto, and nothing was said to the electorate before the election, yet he criticises us three years before the election for not producing a final answer.

Mr. Brown: The right hon. Gentleman is getting very excited—and more and more red—but he does not seem able to answer the one question that the House is waiting for him to answer: would he scrap the independence of the Bank of England? The Conservatives cannot have a credible economic policy unless they can tell us their position on monetary policy and the independence of the Bank of England.

Mr. Kenneth Clarke: Will the right hon. Gentleman give way?

Mr. Brown: I shall give way after I have made some progress, because there are five issues to be addressed.

The first is on monetary policy. We have set out a clear policy. Long-term interest rates have come down. Because of our policies and the early action that was taken against inflation, it was possible for the Monetary Policy Committee of the Bank of England to respond to the international economic conditions as it did last month, bringing interest rates down from 7½ per cent. to 7¼ per cent. That is a big contrast with the 15 per cent. interest rates at the beginning of the 1990s.

The second issue is that we should play our part in rebuilding and making changes in the international financial system. That is why we have proposed a global financial regulator. Our proposals have been accepted by many countries. We have also taken action on a fund that will be available to help countries in difficulty. We are insisting on transparency in the future workings of the private and public sector. Those are sensible proposals that G7 countries have agreed to.

I said when the former Chancellor was not here on Monday that he had contributed to developing proposals for the international financial architecture. The problem is that those on the Conservative Front Bench cannot tell us the party's position on those issues. The Conservatives seem to be opting out of the world as well as opting out of Europe. A sensible economic policy for this country requires answers on how to reform and strengthen the international financial system.

The third issue of economic policy is international and national economic stability, which must be backed up by a policy for welfare to work in this country. That is why we have taken the action that we have. Some 300,000 people will benefit from the new deal by next Easter. Almost 30,000 companies have agreed to take people on. About 150,000 young people are part of the new deal, and 90,000 long-term unemployed men and women will be offered opportunities in 26 areas from the end of November.

Disabled men and women are being invited to join, backed up by a disabled persons tax credit. Lone parents are being given the chance to get advice, information, help and child care to enable them to get the chances that they want. Almost every household name company in the country supports the programme, and I am grateful to them.

I invited individual Members of Parliament from the Opposition parties to be ambassadors for the programme. We sent them details of how it would work, so that they could play a part in their constituencies. However, six months into the new deal, the shadow Chancellor said yesterday that it was a failure, and today that it is a fraud. I do not think that it is either a failure or a fraud. I think that, on reflection, the Opposition will change their mind about that policy as well.

The Opposition opposed the windfall tax, which made the welfare-to-work programme possible, yet one of their own Members, the hon. Member for South-West Bedfordshire (Sir D. Madel)—I do not know whether he is present—was reported in his local newspaper as saying:

"When we are returned to power, we will build on this scheme, which is doing a lot to help people."

Do not other Conservative Members agree that the new deal is doing much for young people? It is about time that the Conservatives recognised that that policy, too, is right for the country.

The Conservative party is opposing the working families tax credit—a measure which is similar to the earned income tax credit that was expanded by Ronald Reagan in America. The programme enjoys all-party support—from Republicans to Democrats—in the United States. The Conservative party wants to prevent work paying more than benefits as a result of the introduction of the working families tax credit, which improves family credit. Why do Conservatives refuse to extend to 1.5 million people, as we want to do, the benefits that they, under family credit, made available to 800,000 people? What dogma has taken over the Conservative party to the extent that it does not want to reduce the marginal rate of tax for low-paid workers?

Mr. Nick Gibb (Bognor Regis and Littlehampton) *indicated dissent.*

Mr. Brown: The hon. Gentleman, a Front-Bench spokesman, says that the Conservatives will definitely abolish the working families tax credit. I am sure that my hon. Friends will agree that this has been a very revealing debate. The Conservatives would abolish the working families tax credit; an Opposition Front-Bench spokesman is prepared to say it.

Mr. Gibb *indicated dissent.*

Mr. Brown: If the Conservative party stands on that policy, 1.5 million low-paid workers will face a major wage cut as a result. It will have to answer to the British electorate for that.

Mr. Kenneth Clarke: May I remind the Chancellor that he inherited the welfare-to-work policy? We argued that the working families tax credit would simply replace our system of family credit, and we rejected it because the American experience is that it is more expensive, less effective and more open to abuse. The only reason why the Chancellor adopted it was to fiddle public spending figures—to pretend that money spent on it was not public expenditure any more—in order to keep down the anticipated growth of public expenditure over the next three years to a mere 2.75 per cent. in real terms per annum.

Mr. Brown: History books will show that the original proposal for family credit in the 1980s was very similar

[Mr. Brown]

to the working families tax credit. It was rejected due to opposition in the Conservative party. That was not right for the country.

As people see the benefits not of just family credit but of a guaranteed minimum income of £190 a week, which is available to those who have families and who take up the opportunity to work, they will realise that the working families tax credit is a far superior system. Even the right hon. and learned Gentleman, a former Chancellor, who has changed his mind on issues such as the Bank of England, will change his mind on this policy. Our policy of building on stability is a new deal for young people and the long-term unemployed, backed by a minimum guarantee of money for families in work, so that work pays for everyone who is able to do it.

I think that, on reflection, the Conservative party will change its policy on the minimum wage, too. A minimum wage, which was acceptable to Sir Winston Churchill and is applied in America and all countries that have a higher standard of living than ours, is a minimum necessary not simply for economic efficiency but for social justice. On that issue, the Conservative party has much thinking to do. I look forward to hearing the results of it.

The next building block in our economic policy is what we will do about productivity—*[Interruption.]* We mention productivity and the Conservatives start to laugh, as if they do not recognise it as a problem. I can tell them who first wrote about productivity as a problem in the 1990s. It was the former Deputy Prime Minister, the right hon. Member for Henley (Mr. Heseltine), who, year after year, published competitiveness White Papers saying that our productivity had to improve. [HON. MEMBERS: "It did."] Does the shadow Chancellor say that there is no productivity gap with any of our competitors?

Mr. Maude *rose—*

Mr. Brown: He may be able to correct us now.

Mr. Maude: What I will say is that, as a result of what we did, productivity did improve. It is since the election that it has started to fall. Why did Siemens, Philips and BMW praise Britain to the skies as a place to do business then, whereas they are now withdrawing?

Mr. Brown: The revealing aspect of the shadow Chancellor's answer is the fact that he started it with the words, "What I will say is that—". In other words, he cannot deny that there is a productivity gap with our competitors. It is a sad reflection on 18 years of Conservative government that we have a gap of 20 per cent. with some of our European competitors and 40 per cent. with some of our American competitors.

British business and the Government, unlike the Conservative party, are prepared to examine those issues, to discuss them seriously and to consider practical things that can be done. We have been prepared to consider the venture capital industry, for example, and what we can do about employee shareholding and how to encourage science and innovation. The shadow Chancellor may not want to comment on any of those announcements, but they represent significant advances for science and innovation, and for small businesses in this country. We have cut small business taxation and given advances for training and skills—

Mr. Bercow *rose—*

Mr. Brown: I shall not give way at this stage— [HON. MEMBERS: "Oh."] All right, I will.

Mr. Bercow: I thank the Chancellor for rethinking his decision; let us hope that it presages a rethink on all sorts of other issues on which he has cocked up in massive style—

Hon. Members: Wash your mouth out.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. The hon. Gentleman might like to withdraw that remark and rephrase it.

Mr. Bercow: I withdraw that ill-advised term, Mr. Deputy Speaker.

In his foreword to Labour's business manifesto of April 1997, the Chancellor wrote:

"We will not impose burdensome regulations upon business because we understand that successful businesses must keep costs down".

How does he square that ringing declaration with the reality of an additional £1,500 per person tax and regulatory burden in the lifetime of this Parliament? Is that not a contradiction, and will he not apologise?

Mr. Brown: We have cut corporation tax— *[Interruption.]* Now the Conservatives want to deny that we have cut corporation tax. This is a revealing debate. We cut corporation tax—*[Interruption.]* They are getting angry. We cut corporation tax from 33p to 30p, and small business taxation from 23p to 20p. We have introduced a long-term capital gains tax rate of 10p in the pound. All those measures have been welcomed by business. It is a pity that business and the Conservative party are so much at odds these days that the Conservative party cannot also welcome them.

I have raised the issues of monetary policy, stability and the international financial system and how we shall improve it. I have also challenged the Conservative party on welfare to work, and Conservative Members do not seem to be able to give answers. Productivity, which they seem to regard as a joke, is serious to every business; it is something on which business wants to work with us.

Let us deal with the final building block of our policy—the fact that the country needs and deserves good and efficient public services. I thought that the shadow Chancellor would welcome the fact that we had a surplus of £5.5 billion on the current account this year, the fact that we have kept under our spending ceilings, which he and his party said we would never be able to do, and the fact that a net borrowing requirement, prudently estimated in March, has turned into a surplus and allowed us to repay debt.

I thought the right hon. Gentleman would have welcomed the fact that the public finances have eliminated the current structural deficit as a result of the work that has been done. Instead, he is unprepared to recognise that

we were left with a £28 billion deficit, and that the Labour Government have been prudent, sensible and cautious with public finances in a way that his party was not.

Mr. John Townend (East Yorkshire) *rose—*

Mr. Andrew Lansley (South Cambridgeshire) *rose—*

Mr. Brown: I shall not give way; I am explaining to the Conservative party what has happened to the public finances.

Conservative Members' answer on every issue is that they would cut public spending. Their answer to the question about what they would do about the economy is that there should be a moratorium on our public spending commitments. They started off by saying that public spending was unwise; then they said that they would not carry it out themselves; then they said that it was reckless; and then the shadow Chancellor, who needed a further comment to get attention, said that our public spending programmes were madness.

This afternoon, we have heard the shadow Chancellor say that he does not want to cut into health and education, but the only way that he could make the savings for reckless, extreme—as he calls them—spending programmes would be to cut into the £40 billion for health and education. That is the majority of the additional spending that we are undertaking; that £40 billion is absolutely central to the increase in public spending.

If the shadow Chancellor is telling us that he would not put health and education at risk, he must tell us which other billions he would cut, and in which areas. The Conservative defence and law and order spokesmen say that they would spend more. In which area would he achieve those billions of pounds of public spending cuts? Again, the public deserve a proper answer.

Mr. Maude: As he so often does, the Chancellor has said something that is plumb wrong. He said that the health and education spending increases are the majority of the public spending increases. The total, under the Government's funny accounting, is £110 billion over the next three years, of which health and education is no more than £40 billion. Nearly as much as both of those put together is social security spending, which the Chancellor and the Prime Minister promised to cut.

Mr. Brown: Let us be clear about this. The Conservatives entered the election campaign saying that they would maintain the basic state pension, and raise it in line with inflation. I assume that that is still their commitment. *[Interruption.]* No? Well, the debate gets more and more interesting, and is quite a revelation. The shadow Chancellor cannot give us a simple answer. Would he maintain the level of the basic state pension in line with inflation? If he cannot give that answer, he is breaching—*[Interruption.]* It has taken the shadow Chancellor some time to come to this point. Let us hope that we get a direct answer.

Mr. Maude: The country will be disgusted by a Chancellor behaving in such a way. He is responsible for the downturn starting in this country, and all he can do is make cheap debating points. He should grow up, stop being an adolescent, student politician, and take his job seriously.

Mr. Brown: The whole House, including Conservative Members, will note that the shadow Chancellor did not answer that question. He cannot give us an assurance, even though it was in the Conservative manifesto, that he would raise the basic state pension in line with inflation. This has been a very revealing debate.

Mr. Owen Paterson (North Shropshire) *rose—*

Mr. Lansley *rose—*

Mr. Brown: I do not think that two Back Benchers can rescue a shadow Chancellor in this difficulty, no matter how hard they try.

If the shadow Chancellor will not answer the question, every pensioner in the country should know that the Labour Government are raising the pension in line with inflation and have provided winter fuel payments, but the Conservative party will not guarantee that it would do that if it was in government.

We know now that there would be cuts in public spending if the Conservatives were ever in government. We know that health and education would be at risk, but there has been a £40 billion increase, which we will stand by. We know also that the pension is not something which the shadow Chancellor will guarantee. The Conservative party initiated the debate, and Conservative Members wanted to ask questions of us. The Conservative party must now answer all the questions. This Government are maintaining economic stability. We are improving public services. We will work with business to increase productivity. Unlike the Conservative party, we will be fair to every citizen, and that is why the House should support our amendment.

4.49 pm

Mr. Malcolm Bruce (Gordon): I was confused by the direction of the Conservative attack. I have come to the conclusion that the only matter about which the Conservatives are sure is that they want the country to go into recession as that is their only hope of making some political gain. Although there are differences between the Liberal Democrats and the Government, we agree that we want the country to succeed. Our debate is about the policies that will ensure that success and the revenues that will underpin the public services in which we want to invest.

The Conservatives talk about fantasy forecasts, but we have had many opportunities to debate their forecasts and the substantial revisions that they had to undergo when the outturn did not fulfil the early promise. What is the Conservative policy on inflation these days? The Chancellor pressed the Opposition for clarification on several occasions on the subject of the Bank of England without receiving any coherent answer. The rhetoric appears to be that it was wrong to give the Bank of England independence and that it should be taken back

[Mr. Malcolm Bruce]

under political control, which should then be used to reduce interest rates regardless of the implications for inflation.

Mr. Maude: That is what the Liberal Democrats say that they would do.

Mr. Bruce: It is not and the right hon. Gentleman will hear why. The reality is that Japan is the only country in the Group of Seven with a nationalised bank and, as a consequence, there has been a cosy arrangement between the politicians and the private sector, which has brought the country to its knees—hardly a model that we want to emulate. The reality is that markets recognise that independent banks take the short-term political interference out of decisions to control monetary policy. The Chancellor is right to say that that yields the benefit of lower interest rates in the long term.

The issue that dare not speak its name is how we learn to live with the euro. The Conservative party thinks that it has resolved the issue by simply saying, "We want nothing to do with the euro for eight years." That is completely at odds with the traditional pragmatism of the Conservative party when it had aspirations to government. No one knows what will be the responsible decision in eight years' time and the meaning behind much of what the Conservatives are saying appears to be, "Under no circumstances will we ever join."

Mr. Cash *rose—*

Mr. Bruce: The hon. Gentleman should contain himself. Given that the euro will be established by 11 countries on 1 January, we will have to do business with that market and live with it. How will we compete if our interest rates continue to be double the European average? The Conservatives have nothing to say about that. They have no strategy or game plan as to how we should live with the euro. They want political control of the Bank of England so that they can manipulate interest rates regardless of the effect on inflation. They want the freedom to have interest rates double those of the rest of Europe. If that is an economic policy, I want no part of it.

Mr. Cash: Does the hon. Gentleman accept that, in practice, he is saying that the Liberal Democrats are prepared to tell their constituents that they will no longer have any real control—through the ballot box—over interest rates and inflation and, therefore, employment? Does he accept that it is ultimately a political decision and that the Liberal Democrats, in common with the Government and some others, are prepared to sell this country down the river?

Mr. Bruce: The hon. Gentleman should stop deceiving his constituents that he, let alone the Government—perhaps even more than the Government—has the power over such issues that he implies by his questioning.

We live in a global market—that is reality, not an opinion—and markets must be taken into account. Interest rates across Europe are at least 3 per cent. lower than those in the United Kingdom. It is unrealistic to expect us to compete with no strategy to close that gap. The hon. Gentleman is naive if he thinks that the rate set by the European central bank—whether we are in or out of the euro—will have no effect on the decisions that this country takes, regardless of whether the Bank of England is under political control.

Mr. Bercow: The hon. Gentleman seems badly confused. In an interdependent economy, of course Sainsbury's must take account of the prices that are set by Tesco. Does he seriously believe—as he seems to, on the logic that he used in response to my hon. Friend the Member for Stone (Mr. Cash)—that the chairman of Sainsbury's would give up to the chairman of Tesco the right to set prices at Sainsbury's?

Mr. Bruce: That is a classic example of treating the economy of a family or a business as if it were the economy of a nation. We operate in a market, and we must take account of trends in that market.

The Government will have to decide on a strategy to deal with the situation in which we find ourselves. The downturn in the economy—which the Chancellor acknowledged yesterday, although he did not dwell on today—has been caused much more by the management of domestic policy than by international factors. In his reply to my question yesterday, he cited the $3 trillion fall in the world stock markets, but that figure takes account only of what happened between July and September. Over the year, the stock markets have not fallen at all—they are still, on the whole, at record high levels. For the vast majority of citizens, what has happened in the stock markets is not a factor that will fundamentally alter individual decisions.

In the pre-Budget report, the Chancellor compares our growth forecast with the weighted average of the G7 figures, which include the figures for Japan. If Japan is taken out of the equation, the downward thrust of British growth is, as the shadow Chancellor said, sharper than that of any of our major partners. The Chancellor has not acknowledged that fact; he certainly has not admitted that it has anything to do with his policies.

Liberal Democrats support the independence of the Bank of England. We believe that it is unwise for Ministers inadvertently or deliberately to lean on the Bank, as that could be counterproductive. As Mr. Trichet warned yesterday, the greater the pressure from politicians, the more likely independent bankers are to resist it—bankers must be allowed to make objective decisions.

That does not mean that the Chancellor can say, "It's nothing to do with me, guv." His fiscal and spending policies provide the framework within which the Bank operates, and that is where he has failed to strike the right balance. Because he has not pursued the strategies that would have enabled the Bank to reduce interest rates, which has created the disparity whereby our exchange rate has continued to be uncompetitively high, there has been a recession in manufacturing—he admits at least the risk of such a recession next year.

If the downward revision of our growth forecast and productivity is more to do with domestic economic management than world activity, which the Chancellor chooses to blame, his failure to make any changes will

mean that his figures are over-optimistic and the Government's ability to sustain investment in public services may be undermined, which neither he nor I want.

Sir Michael Spicer: The hon. Gentleman makes a good point about the fact that the Government's fiscal policy does not match their monetary policy. However, should he not address that point to the Liberal Democrats? His party is the most profligate of all in pressing for more public spending, so how does he square that circle?

Mr. Bruce: I understand where the hon. Gentleman is coming from but, like so many hon. Members, we do not read one another's policy documents in detail. To have a proper fiscal policy, if one makes a commitment to invest in health and education, one shows how one will raise the money to pay for it. The Conservative Government did not do that. The irony is that they told us that they would cut spending and then boasted about the increases that they delivered; they told us that they would cut taxes, and they increased them. One does not get something for nothing. If one wants to make an investment in public services, one has to raise taxes.

Mr. Christopher Leslie (Shipley): Will the hon. Gentleman give way?

Mr. Bruce: No, I will not, because I think that our position is clear and I want to discuss the Government's pre-Budget report.

We welcome the innovation of the report and the principle that it establishes, allowing better consideration before tax changes. As one who participated in the process last year, I know that the consultation was genuine and led to improvements in the quality of the changes that were introduced or, indeed, not introduced.

I hope that the Government will reconsider some of the tax wheezes that they seem to favour to provide incentives for various types of behaviour. We are in favour of simplifying the tax system and removing anomalies and will support the Government when they endeavour to do that, but well-meaning tax breaks often end up as wasteful tax loopholes that are quickly abused. The Chancellor, in opposition, was a master of exposing tax loopholes, so I hope that he will not create too many in government.

In evidence to the Treasury Select Committee, Andrew Dilnot said:

"Thinking back over the last 20 years, I can think of no tax scheme which has been particularly successful in its original objectives . . . any attempts to use the tax system to encourage a particular activity will generate all of the foreseeable problems we can imagine, a number we had not foreseen, and in general rather less of the good than we had hoped for."

Those are reasonably wise words. The Government's proposals on individual savings accounts and capital gains tax are already causing problems, to which we will return on the Finance Bill.

It is easier to identify problems with productivity than to come up with practical solutions. There is an argument about how much of a productivity gap there is and how much it has improved in recent times. We will support measures that genuinely improve productivity, but most of those should come from the companies and businesses themselves, not from the Government. The problem has not arisen suddenly, and it is certainly not the cause of our current reduction in growth forecast.

The weakest chapter in the pre-Budget report is the section on productivity, which contains an awful lot of waffle. I think that we would all agree that it is desirable to

"keep to a minimum the number of unnecessary corporate failures",

as we are told on page 37, but does that really need to be written in a Government report?

We welcome the extra money for the health service, but would it not be better to be realistic about funding in the first place? I know that the Chancellor likes to have a lollipop to pull out of the hat in his pre-Budget report, but is it sensible to throw £250 million at the national health service in the last five months of the financial year rather than providing it in a planned way over the course of the year?

We welcome the commitment to new measures to reduce pollution and the work that the Government are doing on tax to reduce carbon emissions from businesses, but am I right in thinking that the Chancellor's welcome for Lord Marshall's report was less than overwhelming? He promised to look at the matter very carefully and said that the report "moves forward the debate". Thank you, Lord Marshall, and goodbye? Will the energy tax join pensions reform, monetary union and other matters in being kicked into touch? As one political commentator said yesterday, it will soon be standing room only in the long grass.

The central issue in the pre-Budget report was the outlook for growth, employment and borrowing. The Chancellor has forecast a modest and short-lived downturn, but the question being asked in the House and outside is whether that is wise. Unlike the Tories, the Liberal Democrats do not pray for a recession before going to bed each night. We understand that recessions tend to occur when economic policy cannot respond to deflationary forces—for example, if there is an inflation problem or a profound currency problem—but we do not currently have such problems in the United Kingdom. The Liberal Democrats, therefore, agree that the best guess is a slowdown and not a collapse in growth, and we hope that that is the outcome.

I am surprised that the Chancellor has chosen to be quite so relaxed about our prospects. He has even revised the growth figures for 2001. I wonder whether he could not resist the chance to stick the shadow Chancellor's black hole down his throat. I accept that that prospect was inviting, but I am not sure that a 3 per cent. central prediction for growth for 2001 is prudent. It would be above trend if it were delivered. If that figure is too optimistic, the Chancellor may find that his borrowing forecasts are a little optimistic.

We agree that the Chancellor has given latitude on the golden rule and he has a margin for error built into the calculations, but we are concerned by his estimates for manufacturing output. Many people working in farming and manufacturing industries will have listened in vain for some words of encouragement from the Chancellor. He forecasts 0 per cent. growth next year as a central tendency, so even he acknowledges that we could face a recession. The private sector consensus is closer to minus 0.5 per cent. and some commentators have gone as low as minus 3.5 per cent. The CBI survey, the results of which are the worst since 1980, estimates that manufacturing is likely to be in recession next year and that, over the two years, job losses could exceed 400,000.

[Mr. Bruce]

The Government have not addressed that crisis. The Chancellor's manufacturing forecasts look like proving both complacent and wrong.

The situation may be even worse. No Chancellor wants to forecast a recession in any sector of the economy, but the danger is that, in masking his concern, he has produced a policy complacency that puts jobs at risk. I made that argument last week and I shall not repeat it, but I remind the Chancellor that lately the pound has been higher than it was in the 1990 recession and real short-term interest rates have been higher than in the 1980 recession. If those problems are not addressed, we face a continual haemorrhage of jobs from the manufacturing sector. In his July Budget last year, the Chancellor diagnosed that problem, but he has failed to deliver his own prescribed cure for rebalancing the economy.

Yesterday, the Chancellor failed to give the Bank of England a clear message. If he had said that he will not ease fiscal policy in March and, in the present climate, that he will not go ahead with his 10p tax rate, that would have enabled the Bank to bring down interest rates sharply. The Chancellor must surely acknowledge that interest rate cuts—and not tax cuts—must now be the priority. It is unnecessary to dangle in front of us tax cuts that he cannot deliver at the risk of failing to give the Bank of England the scope to the deliver the rate cuts that are desperately needed. If his complacency causes the Chancellor to ignore that need, interest rates may not come down sufficiently fast. I worry that the Chancellor's reading of the situation is that we have passed the worst and that the Bank of England is so depressed by the situation that it will reduce interest rates as a consequence of its negative outlook. The Bank has certainly not received any policy guide from the Chancellor. Without a shift in policy, thousands—even hundreds of thousands—of manufacturing jobs will be lost.

I hope that the Chancellor's optimism is borne out. He is in charge of the economy and we all hope that he is right. I hope that he understands that the issue is neither the global economy nor the productivity gap. He has a responsibility to share with the Bank of England the policy that will deliver what all of us need. That policy is lower interest rates and a competitive exchange rate that can ensure a slowdown, followed by sustainable growth and the ability to fund quality public services.

5.9 pm

Mr. Christopher Leslie (Shipley): I am glad to follow the hon. Member for Gordon (Mr. Bruce) as it was interesting to hear him say that it is wrong to dangle major tax cuts before the public. I know that he has advised people not to read the policy documents of other parties, but I have read closely his pronouncements in "Moving Ahead", the financial policy he set out at his party conference. His proposals included changing personal income tax allowance from £4,195 to £10,000, which would cost the Exchequer £29 billion.

I do not like to quote the hon. Gentleman's words back at him, but those proposals hit me in the face when he said that when we make a commitment, we have to take responsibility for saying where the money is coming from. As long as we establish that the Liberal Democrats are beginning to say where the money is coming from, that is the important thing. They have said that they want to cut what they regard as ill-judged tax reliefs and to impose a significant energy tax, although the details are unclear.

To raise £29 billion would mean astronomical changes in the tax system. That amount is nearly half the total income tax take, and it is more than the combined amount we spend on law and order, trade and industry and defence. We must find out how the Liberals would raise the money. They talk of ill-judged tax relief, but scrapping tax relief on occupational pension schemes would raise only £9 billion. It would be interesting to know whether they would do that, and I would be happy to give way to the hon. Member for Gordon if he wants to clarify the point.

Does the hon. Gentleman want to scrap tax relief on redundancy payments? That would raise only £1.1 billion. If the hon. Gentleman were to try to raise the whole £29 billion by adding to the price of petrol, he would have to triple its price. I urge him to take his own advice: when he makes a commitment, he must take responsibility for saying where the money will come from. I shall happily give way to him if he wants to specify how he wants to pay for that. Will he? No answer. I need not dwell on the Liberals, who are obviously not interested in their own policies.

Let me focus instead on what is left of the rabble that is the official Opposition. Not many of them are here, and I am sorry that the shadow Chancellor has gone because I had many questions for him. He came out with so much concern for employment that I wondered whether he was considering resigning his directorships at Asda and at Gartmore Shared Equity Trust to let someone else have a go at those extra jobs. Perhaps employment does not figure so personally in his interests.

The Conservatives persist in talking down the economy. They constantly pick away, trying to find any loophole that will gain them some political advantage. They point out any statistic they can find, throwing bar charts and all sorts across the House at us. They try desperately to say that there will be a meltdown, a catastrophe or a depression. Many economists, industrialists and bankers are worried that if the Tories continue to talk like that—and they must take responsibility for what they say—they may talk down the economy. Lloyds bank said last week that talk of global meltdown raised a real danger of talking ourselves into a United Kingdom recession.

The Conservatives contribute—perhaps unwittingly—to that problem. Or maybe that is exactly what they want. They want to keep the ball rolling. They want to cash in on political opportunism whenever they can. That is their agenda. They play games and throw mud without ever saying how they would change things. Would they reverse the Bank of England's independence? We heard policy-making on the hoof from the shadow Chancellor when he tried to answer that question, until the hon. Member for Westmorland and Lonsdale (Mr. Collins) stepped in and said that other Governments have not laid out policy until after elections. Now we have the threat of their not being prepared to say what they will do about the Bank of England.

Mr. Townend: Rubbish.

Mr. Leslie: Will the hon. Gentleman say exactly what Conservative policy is?

Mr. Townend: We did not say that we would not tell the public. The Chancellor will not tell the public the tax

changes in the next Budget. We shall tell the public the policies on which we shall fight the next election in a year or two years from now. We shall not tell them now. Your party is in Government. It is your duty to debate the issue.

Mr. Deputy Speaker: Order. The hon. Gentleman knows that I have nothing to do with that.

Mr. Leslie: The hon. Gentleman is on the fast track towards becoming the new shadow Chancellor. They certainly need a new one following the performance given earlier by the right hon. Member for Horsham (Mr. Maude). We have just heard that Conservative policy has changed again within the past hour. The Opposition were not going to announce what they would do about Bank of England independence until after the next election. Now the hon. Member for East Yorkshire (Mr. Townend) says that they will announce their policy within the next two years, and we can look forward to that. Let us write the date in our diaries in red while we wait to hear what their policy will be. It is not only Conservative and Labour Members who will be interested. The whole country waits to hear what the Conservatives propose. The risk that their election would pose to the economy is substantial. The people of the UK need to know what they would do. *[Interruption.]* They can bluster all they want, but they clearly do not like to be asked what their policy is. They are all over the place on public spending, too.

Mr. Lansley: Would the hon. Gentleman try to explain something in the Chancellor's pre-Budget report rather than talking about Opposition policies? Why has the Chancellor reduced from 2 to 1 per cent. his economic assumption underlying public finances for growth in 1999–2000, while simultaneously increasing from £344 billion to £348 billion his anticipated Government receipts? Why does he forecast that growth will go down, but receipts go up? Is that another of the Chancellor's fantasy forecasts?

Mr. Leslie: That is an intriguing intervention. The Conservatives plainly do not want to talk about the solutions that they offer to the country. After all, this is only an Opposition debate.

The hon. Gentleman knows that the UK is not in isolation from the other countries of the world. We live, work, employ and manufacture in a global economy. We must recognise that worldwide downturns and problems will affect us. We must put policies in place that will get us out of difficulties.

Mr. Barry Gardiner (Brent, North): Does my hon. Friend agree that if the hon. Member for South Cambridgeshire (Mr. Lansley) had been in the Chamber earlier or, if he were here, had unblocked his ears while his point was being answered, he would know that revenue projections for next year are based on this year's growth, which has not been downgraded, not next year's growth which has been.

Mr. Leslie: I thank my hon. Friend.

Mr. Lansley: Will the hon. Gentleman give way?

Mr. Leslie: No. My hon. Friend the Member for Brent, North (Mr. Gardiner) offered the embryo of a great speech that we shall perhaps hear later this evening.

Mr. Lansley: Will the hon. Gentleman give way?

Mr. Leslie: No.

I want to focus on public finance and expenditure over the next three years. An extra £40 billion has been committed for health and education. That financial expenditure will not only bring benefits to the whole country in terms of better public services, improved infrastructure and better capital but have an impact on the economy as a whole. I am intrigued to know just what the Conservative party proposes. Conservative Members talk about the downturn, the slump, the great depression and the meltdown that they foresee, or rather they would love to see as they rub their hands, yet they want to slash public expenditure right at the time when the supposed downturn is taking place.

I want to know from the Front-Bench spokesman how the Conservatives reconcile cutting public expenditure at the time of a supposed downturn. Do they not realise that that would magnify all the economic problems as a result of changes in the global economy and hurt this country in a much more significant and ingrained way? I should like to know whether they realise what effect their proposed massive spending cuts would have on the economy. Such cuts would be devastating. The Conservatives' blindness to even the most obvious economic factors will come to haunt them at the next general election.

There were discussions earlier about exactly what public spending on services the Conservative party would consider cutting. We all know that health and education would be a target. The Conservatives were specific in setting out the social security budget as something that they wished to target. They would scrap the £5 billion of expenditure on the new deal to get people off benefit and into work, which is thereby reducing unemployment and, as a corollary, cutting costs to the Exchequer such as jobseekers allowance and other things over the long term. That is the way to bring down social security expenditure, and that is exactly what we are doing.

The Conservatives want to scrap the working families tax credit. They are not bothered about the poverty trap or getting people off benefit and into work. It is the old, 1980s Conservative party coming back and haunting us. I am not old enough to remember the election of Margaret Thatcher in 1979—*[Interruption.]* Well, I probably am, but it might not have been the first thing on my mind at that time. It was refreshing to hear again all the mistakes that were made in the 1980s. The Conservatives still have not learnt. They want to start right back where they began. They have no concept of where they went wrong. That is good because, as long as they do not realise what is happening, the rest of the country will. We realise what is going on and the people realise what went wrong, but the Conservatives are absolutely nowhere on economic policy.

Mr. Geoffrey Clifton-Brown (Cotswold): The hon. Gentleman seems to be advocating the old Labour Keynesian economics of spend, spend, spend. Can he explain why some of his socialist friends in Governments in Europe, who are much better at spending than his Government, have higher unemployment than Britain? Will his Government have higher or lower unemployment when they leave office—in the not too distant future, I hope—than when they took office?

Mr. Leslie: There we have it—the dogma of the Conservative party. Conservative Members wish to slash vital public services regardless of the effect on the

[Mr. Leslie]

wider economy. They are oblivious to the needs of the wider economy and the state of demand in this country. The effect of cutting public services would be astronomical. Conservative Members need to think carefully about their position.

During proceedings in Committee on the Finance Bill, the Conservative party proposed a number of changes. They moved a series of amendments which amounted to a £6 billion reduction in the funding available for public services. So as well as opposing the windfall levy on the privatised utilities, the Conservatives have committed themselves to reducing the funds available for public services by £6 billion. They have a variety of choices available to them. They could add the extra money that they would need to borrow, raise other taxes to compensate, which is what I suspect is on their agenda—they would increase VAT on fuel, among other things—or they could cut vital public services. Those are the questions that the Opposition need to answer and pursue.

We have heard today that the Conservatives threaten the basic state pension and its uprating by inflation. Perhaps when they target social security expenditure, they also threaten child benefit and benefits for disabled people. We shall have to find out in the coming months. We await their policy with interest.

The state of the economy is interesting, not least because we have to acknowledge that we do not live in a vacuum. I think that the Conservative party sometimes imagines that we do. The old protectionist agenda cloaks it in its historical role. There have been significant international changes. Change has occurred in Japan and ricocheted around Russia, and through Latin America and other areas. Serious threats have been posed by large financial institutions such as the hedge funds, Long-Term Capital Management and others. Economic issues affect us all.

I am proud of the leadership that has been shown by my right hon. Friends the Chancellor of the Exchequer and the Prime Minister on the international level in the G7 and other forums to move to a more transparent international financial system, to ensure greater supervision and regulation of large capital movements and to ensure that the International Monetary Fund and World bank are more able to nip embryonic problems in the bud. That is an important point. As we saw on Monday, the Conservatives have no answers to give.

The Government have put us on the right course to the sustainable, high-productivity, high-growth economy that we all want by setting domestic fiscal policy, committing themselves to public spending and the capital expenditure that we know is so important. The monetary policy framework has been set out, with independence for the Bank of England so that stable, long-term objectives can be met. I congratulate my right hon. Friend the Chancellor of the Exchequer on putting those firm foundations in place.

5.28 pm

Sir Michael Spicer (West Worcestershire): The hon. Member for Shipley (Mr. Leslie) made a good speech for the first 90 seconds. He was right about the Liberals. Given his Front-Bench's love-in with the Liberals I am not sure whether he will earn himself promotion, despite all the flattery in the last part of his speech—it was not such a good speech at the end—but he is right about the Liberals. He was especially right in saying that, although the Liberals would increase taxes—they are unashamed about that; it is something that they think would be a good thing—the revenue would in no way meet the bills for the profligate suggestions that they make. Never a day goes by without some Liberal spokesman making some great grand gesture for expenditure. The idea of the hon. Member for Gordon (Mr. Bruce) that the Liberals are the people who have the balanced view is wrong. The hon. Member for Shipley was right to point that out, and I am glad that he did.

The real irony of this debate has been that for the past two hours, Labour Members, including the hon. Member for Shipley, have been jumping up and down like a jack-in-a-box defending the independence of the Bank of England and asking all sorts of rude questions of us. Yet they are the same people—including the Chancellor, to whom I put this question in an intervention—who are hellbent on abolishing the independence of the Bank of England and handing over its reserves and powers to the European central bank. It is an enormous hypocrisy on the part of the Government and the governing party to pretend to take the line that they do when they are hellbent on abolishing the independence of the Bank of England.

Those who have not been jumping up and down defending the independence of the Bank of England are likely to be those such as the Chief Secretary who are muddled about the exact nature of that independence. As my hon. Friend the Member for Louth and Horncastle (Sir P. Tapsell) pointed out in a sharp intervention earlier, the nature of that independence needs thinking about carefully, especially on the afternoon when the Monetary Policy Committee is deliberating on what interest rates will be tomorrow. I congratulate my hon. Friends on the Front Bench on having chosen today for this debate, and I am glad that Labour Members have raised the pertinent question of the Bank of England, on the very day that the Monetary Policy Committee sits.

The Chief Secretary to the Treasury does not appear to have taken on board the exact nature of the remit given to the MPC. It is worth quoting section 11 of the Bank of England Act 1998, because in meetings of the Select Committee on the Treasury, it has become clear that many Labour Members are becoming more and more muddled about the role of the MPC. That role is clearly defined in section 11, which states:

"In relation to monetary policy, the objectives of the Bank of England shall be—

(a) to maintain price stability, and"—

this is the crucial point—

"(b) subject to that, to support the economic policy of Her Majesty's Government".

The legislation goes on to define how the inflation target is to be set. None of that is the same as that which applies to the Federal Reserve or the European central bank. Therefore, it is interesting and relevant to make clear the role of our central bank in relation to economic policy.

Given that extremely tight context, which makes the inflation target the only real objective that the MPC has to consider as a matter of priority, it is relevant to ask what inflationary pressures face the MPC this afternoon. That is not a subject which has arisen in our debate, but it is one that the members of the MPC will discuss if they

are doing their job properly, according to statute and the law of the land. It is by no means an easy question for the MPC to answer.

The first point is that not one single forecast provided by the Government shows any sort of undershoot of the inflation target. Most of the forecasts veer either towards the target or above it, but no one is talking about there being an undershoot of the statutory target at the current rates of interest. I did not invent the target—the Government invented it and they set the law of the land.

If, when looking at inflationary forces, one takes the figures for broad money, one sees that the latest figures show that 12-month growth rates have risen to 9 per cent. from 8.7 per cent. in August. The money supply is a definite determinant of the rate of inflation. Although there are arguments to be had about how strong a factor it is, no one would deny that, if one is printing more money, one is creating inflationary pressures. The figure for M4 is currently rising, not falling. Furthermore, no one would deny that the labour market is still extremely tight—for example, unemployment is considerably lower than it was in the first quarter of this year.

The hon. Member for Shipley asked why we worry so much about expenditure, which brings us to the question of the Government's fiscal policy. That policy has to be seen, not only in terms of new hospitals and the context in which the Government wants it to be seen, but in terms of its effect on the MPC's remit on inflation and, therefore, its effect on interest rates. One of the hypocrisies that we hear time and again from hon. Members of all the other parties, including the Liberals, is their failure to take the point that, having for better or worse established by statute such a clear-cut policy on inflation—I personally think that having a fixed inflation target is for the better—if they are profligate in public spending and print money in the way they are printing it, the effect can only be to force the MPC to keep interest rates up, with all the detrimental effects on unemployment and other economic consequences that that carries with it. That is the point which continues to be missed: if the Government are profligate in their fiscal policy and spend beyond what the country can afford and if, therefore, inflationary pressures are created, it will result in higher interest rates and in poverty.

Mr. Andrew Love (Edmonton): The hon. Gentleman has twice mentioned the so-called profligacy of the Government's public spending targets. Will he tell us in which areas he would make cuts in order to bring public expenditure back under control?

Sir Michael Spicer: The hon. Gentleman's party is in government and it is the Government's job to set targets and to write statute. It is up to them. That is what winning elections means: if one wins an election, one is in charge of priorities. I do not have the books in front of me and I do not know the Government's priorities. I can list various things that I would not be doing were I in government—for example, I would not be reforming at vast cost to the country the highly effective GP service that the Conservative Government left behind. There are many things that I would not be doing, were the Conservatives in government, but, sadly, we are not in government.

It is the responsibility of Labour Members, whose party is in government, to go to the councils of the parliamentary Labour party, or wherever such matters are discussed, and determine what action will result in a public expenditure policy that keeps interest rates down. That is the point which Labour Members keep missing. They miss it because many of them believe that, somehow or other, someone will give the thumbs down to the Governor of the Bank of England and the MPC when they try to raise interest rates. They have not read the statute properly and believe that we operate the same system as the Federal Reserve, but we do not: we live under a different system, one which is of the Labour Government's own making. It is the Labour Government who have to find the solution; otherwise, interest rates will continue to rise. The question is whether the pressures from public expenditure will, as the Government suggest, create a balanced economy.

Mr. Love: Does the hon. Gentleman agree that it is dishonest of the Opposition to set up this debate to chide the Government on their economic policy, but to refuse to offer any alternatives on the best way forward?

Sir Michael Spicer: It is not the job of the Opposition to govern the country. That is what the electorate determined a year or so ago. As my right hon. Friend the Member for Horsham (Mr. Maude) said, why should the Government come crawling to us for solutions to problems that are entirely of the Government's own making? That is the crucial point.

The reason the problems are of the Government's making is that, when one examines the concept of balanced growth, of which the Government have been making much for the past 24 hours, one realises that it does not stand up. The growth assumptions on which the so-called relatively balanced budgets are projected simply do not stand up to scrutiny. No serious economist or commentator would agree with the Government's growth projections, or be able to give any reason why the projections should be increased for the year after next. That is the most extraordinary thing for the Government to have done.

Even given the Government's own projections, the MPC is sitting down this afternoon having to take into account a deficit for the next five years that is £11 billion higher than it had to consider when it last discussed interest rates. That £11 billion has arrived out of nowhere, based on extraordinarily optimistic growth figures. Although it has not been widely noticed, it is no wonder that long-term interest rates have begun to harden in the past 48 hours. That is absolutely logical.

I asked the Chancellor yesterday how he can square a profligate expenditure programme with trying to help the MPC to reduce interest rates. I got no answer. The members of the MPC must be scared out of their wits this afternoon as they consider the public expenditure plans in cold print in the context of the interest rate policy, which no doubt they want to try to accommodate with what are conceived to be the nation's needs on growth, unemployment and so on.

Unless the Government stand ready to change their expenditure or tax plans if their growth forecasts prove to be wrong—we have not heard anything to that effect—the MPC can have no alternative but to assume that the Government are embarking on an expenditure programme that the nation is unlikely to be able to afford and which will therefore be inflationary. Given the Government's

[Sir Michael Spicer]

stance and, above all, the terms of reference that they have set the MPC, it would not be surprising if the committee decided to hold interest rates at their present level. The crucial point is that the nation should understand that all the pain that that would cause would be entirely the Government's fault.

5.40 pm

Mr. Geraint Davies (Croydon, Central): There has been a pathetic and miserable attempt by the beleaguered Opposition ranks to talk down Britain. They are not in the real world, let alone the global economy. Opposition Members think that we can arbitrarily set interest and exchange rates as if Britain exists in a vacuum. They live in a fantasy land of away days dreamed up by the Leader of the Opposition where everyone dresses up as Val Doonican and pretends that the UK floats around on its own.

Global circumstances are difficult. A quarter of the world is in recession; global growth forecasts have been halved; the US is rescuing hedge funds; the Japanese are rescuing banks; Hong Kong is rescuing companies; and the UK has, rightly, adjusted its growth rates. Where has the Tories' black hole gone? Why has it disappeared?

First, the starting point of the economic analysis is much better than people had assumed. The 1998–99 Budget forecasts growth of 1.75 per cent., but that has been revised up to 2.25 per cent. because, under Labour, the economy has fared much better. *[Interruption.]* No, it is true, and therefore public expenditure has improved and borrowing is lower. Prudent management has reduced the budget deficit from £28 billion a year to £8 billion a year. The projected surplus over five years is £33 billion. A reduction of 1 per cent. in the gross domestic product growth rate would cost £6 billion over two years, so there is a large margin of opportunity for manoeuvre.

The revised growth targets and rates are realistic and cautious. People will remember that the Chancellor revised the original trend forecast from 2.5 to 2.25 per cent. The economy is in good shape to face a slowdown which, by now, everyone should accept will occur.

Mr. Bercow: Like other hon. Members, I am accustomed to the hon. Gentleman's display of gut-wrenching deference to the European Commission in most debates. Will he explain to the House whether he agrees with the European Commission's prediction that this country will next year slump to the bottom of the European growth table; if not, why not?

Mr. Davies: The last time the hon. Gentleman spoke after me, his mother was in the audience; sadly, she is not here to take him home. I shall move on to EU growth rates in a moment. It is important that we discuss why the growth rate projections from the European Commission are lower than they were.

We are in good shape to face a slowdown in the world economy because the Government have cut debt and controlled expenditure and inflation, and interest and exchange rates are beginning to fall. If the Conservatives were in power, with their resistance to the independence of the Bank of England and current interest rates, inflation would go out of control and, in the midst of a downturn in the global economy, they would increase interest rates at the worst time while cutting back on public expenditure on health and education. That would be a disaster.

Looking back over the past 18 years, it is remarkable that the Conservatives caused two domestic recessions when the global environment was relatively stable. We now face choppier waters in the global economy and this Government are steadily and surefootedly leading us ahead using long-term investment.

The European Commission has forecast growth rates. First, anyone who has rudimentary knowledge of economics—which the hon. Member for Buckingham (Mr. Bercow) appears to lack—knows that Britain is at the top of the economic cycle and other economies are at a different stage. The economy is near capacity, but we have created an extra 400,000 jobs since we have been in power. The economic management challenge for the Chancellor is to put into productive work more people who have been dislocated from the economy through lack of training or opportunity. We have introduced the new deal and the working families tax credit to make work pay for people who were left on the scrap heap by the Conservatives.

We have done so well and are so high in the economic cycle that we have fewer opportunities for growth than our European counterparts. As I said, interest rates are beginning to fall because of the slowdown in the world economy. Exchange rates are now 10 per cent. lower; the pound has fallen from DM3.10 to DM2.75. Britain will come out of the slowdown more quickly and strongly than other EU countries, and that is implicit in the growth forecast. Hon. Members may ask why, and I shall answer that in a moment.

Mr. Desmond Swayne (New Forest, West): I acknowledge the hon. Gentleman's point that Britain is at a different stage in the economic cycle, to which he has pertinently drawn attention. Will he develop his argument further and say what are the principal causes of our cycle being different from the continental norm and what measures the Government will take to correct that so that we can enjoy the benefits of a single European currency?

Mr. Davies: I am glad that certain Conservative Back Benchers are so enthusiastic about the single European currency.

Current and past events demonstrate that the United States and the UK lead the economic cycle while the core of Europe—Italy, Spain, France and Germany—lags. The UK and the United States went into recession in 1991, and France, Italy, Germany and Spain did not follow until 1993. The UK and the US began to move out of recession by 1992, but the rest of Europe did not follow until after 1994. Those cycles explain some of the changes in the EU forecasts of which the shadow Chancellor, the right hon. Member for Horsham (Mr. Maude)—who, I presume, has returned to Asda—has made such play.

Mr. Swayne: Will the hon. Gentleman give way again?

Mr. Davies: No, because I know that other hon. Members want to speak.

The first of the Government's main planks for tackling economic developments has been to introduce monetary stability through the independence of the Bank

of England. That means that interest rates are now responding to the global environment rather than the domestically created environment, as under the Howe and Lawson recessions.

Secondly, although we inherited about £400 billion of debt, which was costing £28 billion a year, we have brought those costs down to £8 billion a year. As a result, we need not make cuts in health and education spending; in fact, we have drastically increased that spending, by £40 billion. The Opposition would obviously cut some of that amount from their pronouncements about our recklessness. They deny that, but it is self-evident.

Thirdly, as has been alluded to, Britain is now a leading player—the Chancellor is probably the leading player—in pioneering international reforms to enable us to live in a more stable world, by supporting reforms of the International Monetary Fund and making financial transactions transparent. Governments are shaping the future, instead of reacting like headless chickens, as they did previously. You will remember, Mr. Deputy Speaker, how humiliating it was for the Conservatives when we dropped out of the exchange rate mechanism.

Fourthly, we have the welfare-to-work measures—the new deal, making work pay, to bring back into the productive economy more and more people left permanently on the scrap heap by the Conservatives.

Fifthly, we have a focus on increasing productivity. It is no use saying, "It has nothing to do with us." In productivity, we lag between 20 and 40 per cent. behind many of our competitors. We are in the process of generating an enterprise culture by linking business enterprise into the school and university system, by encouraging venture capitalists and by encouraging regional development. Our challenge is to engage more people in the economy and to make them more productive, to make the whole of Britain more successful. Those changes, be they in management training, venture capital or enterprise, are some of the assumptions that underpin the Chancellor's cautious growth rate projections, which have been dismissed by the Opposition, who have no ideas for improving British industry.

If the Tories were in charge today, there would be no new deal. Where would they find the £5 billion? The people would still be on the dole. There would be no increase in opportunities for affordable work, so people would languish on the dole. There would be no Bank of England independence, so interest rates would have been held back for political reasons, then jacked up as the world economy slowed. Finally, there would be savage cuts in health and education. Opposition Members ask, "What about the welfare budget?" I remind them that, when we talk about welfare, we talk about old people, pensioners, children and the disabled. All those people would suffer if the discredited Opposition had an opportunity to govern, as has again been revealed today.

I very much commend the opportunities that have been placed before the British public again by our magnificent Chancellor, and I am happy to reject the ridiculous motion and to support the Government amendment.

5.52 pm

Mr. John Townend (East Yorkshire): With respect, some Labour Members need to learn that the Opposition's job is not to do the Government's job, but to hold the Government to account. I shall try to do the latter in my contribution.

This is supposed to be a green Budget. Incredibly, in yesterday's statement and in today's debate, Labour Members have hardly mentioned the word "taxation". Yesterday, I tried to intervene on the Chancellor. I now ask the question that I would have asked him, and I hope that, in her reply, the Economic Secretary to the Treasury will answer me. My question is, do the Government expect that, in this Parliament, the total burden of taxation—national and local—will rise or fall as a percentage of our national wealth? It is a simple question; I should like an answer.

Yesterday, as I listened to the Chancellor's statement, I was struck by his self-satisfaction, and his complacency and gross optimism made me think that he was living in cloud cuckoo land. He was self-satisfied about the condition of the public finances, and proudly boasted that this year the budget would be £5.5 billion in surplus.

Hon. Members who have been in the House for a long time know that I always welcome a surplus. However, the Chancellor did not say who has paid for that surplus. First, it has been paid for by tomorrow's pensioners, who have seen the Government rape their pensions by no less than £5 billion—not in one year, but every year. Secondly, it has been paid for by the motorists, who have suffered the biggest increase in fuel tax in living memory, yielding the Government an extra £2 billion a year. For the first time in my life, it is possible, on the way home from the continent, to fill up in Calais more cheaply than in this country.

Obviously, we have an anti-motorist Government, who are hitting people who live in rural constituencies such as mine, who need a car to get their children to school and to get themselves to work.

Mr. Gardiner: Does the hon. Gentleman accept that it was stated in the previous Government's Budgets—their plans were laid out for all to see—that fuel tax would increase each year? Does he accept that, in the first year of the Labour Government, we are keeping exactly in line with those plans, so the increase was as projected by the Conservative party?

Mr. Townend: That is not correct. The Government have inflated the increase by far more than we would have done.

I readily accept that the previous Government made a mistake in putting up tax to that level—falling for the greens—but the present Government have put it up by 6 per cent. more than inflation. If that process continues for five years, there will be a horrendous increase of 30 per cent. more than inflation.

Mr. Clifton-Brown: My hon. Friend has given the House the correct figures. The Government have increased the fuel tax inflator by 6 per cent. over and above inflation, and value added tax is imposed on top. That means that his and my constituents, in rural areas, will face a staggering 35p a gallon increase in April 1999. Does he believe that his constituents will be disadvantaged by that?

Mr. Townend: I do, and I assure my hon. Friend that I shall urge the Conservative Front-Bench team and the Leader of the Opposition not to go into the next election

[Mr. Townend]

as an anti-motorist party. I should like us to give a commitment not to increase the price of petrol by more than inflation. That, of course, is a personal opinion.

I shall now talk about complacency. The Chancellor is still fighting the last battle—the battle against inflation—whereas the battle that threatens us in the months ahead is the battle against deflation. As was correctly pointed out yesterday, Japan, the second largest economy in the world, is suffering from deep deflation. Despite an interest rate of 0.25 per cent., its economy is shrinking rapidly, with no sign of recovery. Russia is broke, and the German banks will have a large write-off of their Russian debts. Latin America is teetering on the edge of a financial crisis. Those events, and the problems of some of the American hedge funds, have severely weakened and damaged the world banking system, to an extent as yet unknown.

However, I believe that, in the United Kingdom, despite the Chancellor's optimism about growth next year, we face recession. Agriculture is in deep trouble. Farm incomes are collapsing. Bankruptcies are increasing. Regrettably, because of their Euro-fanaticism, the Government are taking no meaningful action to tackle that problem. As a result, in the beef and pig sectors, British farmers do not have a level playing field with the continent.

Mr. Love: According to Budget projections, growth should be about 1 per cent. next year, increasing to 2.5 or 2.75 per cent. in succeeding years. Is not the hon. Gentleman's talk of recession actually talking Britain down?

Mr. Townend: Certainly not. It would be pointless for me, a representative of a rural constituency, to pretend in the House that everything in the garden was lovely in respect of agriculture. I should not be doing my job if I did that. I am not a professional politician like many people here. I entered politics as a business man because I believed in things. It has always been my practice in the House to say what I think—even if my comments are not always approved by my own party—and I do not think that the hon. Member for Edmonton (Mr. Love) is right.

I should be very surprised if the hon. Member denied that manufacturing industry has for months been suffering because of the high pound and high interest rates. Now, service industries are weakening, and each week brings more announcements of job losses in banks and City financial institutions.

I am very proud to be one of that small and—I should like to think—distinguished hon. Members who have run and owned a small business. I am therefore able confidently to tell Ministers, "I know what is going on out there." I can also tell the Chancellor that, in the past six weeks, in the north of England—not only in manufacturing, but increasingly in service industries—small businesses are suffering from the downturn and from declining profitability.

I know that the Chancellor will say, "I'm not to blame." Labour Members have already said, "We're not to blame—it's the world economy." What rubbish—*[Interruption.]* Labour Members laugh, but do they deny that small businesses' profits are falling largely because of the rising costs of implementing Government legislation? The Chancellor should be more honest and accept his share of the responsibility.

Does the Economic Secretary to the Treasury really know the cost to small business of implementing the working time directive? The directive is having a serious effect on the hotel and hospitality industry in my constituency. It is also undermining the split-shift system that is vital to the industry. Furthermore, individual proprietors, small business men, are having to keep far more detailed records—do far more paperwork—to satisfy the horde of Government inspectors who will enforce the regulations.

Does the Economic Secretary realise that the cost of the minimum wage to small business is not only the cost of merely raising workers' wages to the minimum wage, but the cost of raising the remuneration of those earning more than the minimum wage, to retain differentials?

Mr. Bercow: Does my hon. Friend agree that Ministers are guilty not only of arrogance but of ignorance? Last week, on the Floor of the House, the Chief Secretary, and this morning, in Select Committee, the Secretary of State for Trade and Industry were both utterly ignorant of the report recently produced by the distinguished firm of accountants, Chantrey Vellacott. It showed that the rise in regulatory burdens in the first two years of this Labour Government will be no less than 17.3 per cent. Is not their ignorance of that dramatic impost on British business a worrying portent for the future?

Mr. Townend: My hon. Friend is right. Furthermore, do not Ministers show their hypocrisy when they talk about productivity and competitiveness? It is the Government who have been destroying the competitiveness of much our industry.

Does the Economic Secretary know the cost to small business of implementing the packaging waste regulations that came from Europe? Does she realise the cost to small business of implementing the new European parental leave regulations—which came to Britain as a consequence of accepting the social chapter? Does she realise how massively costs to small business have been increased because of fuel tax increases, particularly on DERV? Every small business is involved in the delivery and the receipt of goods.

Does the Economic Secretary appreciate the burden of high interest rates, which bear down disproportionately on small businesses, which suffer from one of the highest overdraft rates in Europe? The Chancellor says, "Don't blame me, guv—blame the Bank of England." The hon. Member for Shipley (Mr. Leslie) gets very excited and asks whether Conservative Members would take away the Bank's independence. That question will probably be irrelevant because, if the Chancellor has his way, the Bank of England will have no independence, its functions having been transferred to Europe. We should certainly like to take away the independence of the European central bank and maintain our own independence.

Interest rates are the Chancellor's responsibility. He was the one who gave away the right that he and his officials had to fix the Bank rate. He must have done that because he did not think that he and Treasury advisers were capable of fixing interest rates at a level that was appropriate for the efficient running of the United Kingdom economy. Alternatively, perhaps he gave away the power because he did not think that he would be able to resist the political pressure applied by his spendthrift colleagues.

When we talk about lowering interest rates and reducing inflation, Labour Members should realise that—as my hon. Friend the Member for West Worcestershire (Sir M. Spicer) said—there are two sides to the equation: whereas a tighter fiscal policy allows lower interest rates in ensuring economic efficiency, a lax fiscal policy and high expenditure necessitate higher interest rates. Yesterday's green Budget proposed some small measures that will help. However, compared with the burdens on small business that the Government have imposed since they have been in power, those measures are chickenfeed.

I should like specifically to deal with tax incentives enabling employees of large companies to buy shares in the companies in which they work. Although I welcome such incentives, they distort the investment situation to the detriment of those who work in small businesses and are unable to buy shares, because the businesses in which they are work are either sole traders, partnerships or family-owned companies in which the family is not prepare to allow equity to be held outside a small family circle. If the Chancellor really wants to encourage saving and investment, he should give equivalent tax allowances for stock market investment to people working in small businesses.

All the signs are that the Government will end up like every other socialist Government—as a Government of high spending, taxing and borrowing. For the sake of our country, I hope that I am wrong. However, I believe that the pre-Budget statement will come back in future years to haunt the Chancellor. Ultimately, it will be the British people who will pay for his complacency.

6.7 pm

Mr. Geoffrey Clifton-Brown (Cotswold): What a difference a year makes. In last March's Budget statement, the Chancellor was predicting that the economy was growing at an unsustainable rate, and maintained that interest rates might have to rise five times. He predicted also that the Bank of England would be able to meet its inflation target by using only one narrow measure: raising interest rates. If the Government had not run such a tight fiscal policy, the Chancellor would be able to reduce interest rates, and our competitive exchange rate would be down much more than it is from the April 1998 level of DM3.1 to the pound.

Last March, the Chancellor predicted growth of 1.75 to 2.25 per cent. He now states:

My forecast for 1999 of 1 to 1½ per cent. growth in our economy will see Britain steering a stable course, even when one quarter of the world is in recession."—[*Official Report*, 3 November 1998; Vol. 318, c. 682.]

How can anyone accept the Chancellor's predictions when, only yesterday, he had to reduce so drastically his previous growth forecast? What growth rate will he forecast by the time we get to the real Budget, next March? I suspect that he will have to reduce his growth forecasts even further.

Britain's leading financial institutions are forecasting growth rates that are lower than those complacently forecast by the Chancellor. For example, Barclays bank predicts a growth rate of 0.8 per cent. next year; Goldman Sachs predicts a rate of 0.5 per cent; Morgan Stanley predicts a rate of 0.5 per cent; Warburg predicts 0.3 per cent; and JP Morgan predicts no growth whatever.

Regrettably, the Chancellor's forecast is complacently high. He is complacent about the amount of tax take that he will have next year and wants to spend more in real terms on the health service, on education and, above all, on social services. Indeed, next year the social services budget is likely to bust through the £100 billion mark for the first time ever.

Mr. Geraint Davies: What cuts would the hon. Gentleman make in health and education? Is he keen to cut funds for the disabled, children and pensioners? The shadow Chancellor would make no commitment to retain the state pension. What else would the Opposition cut?

Mr. Clifton-Brown: That is a stupid question. Labour are in government, and it will be found that over the economic cycle the Labour Government have spent money unsustainably. If the hon. Gentleman really wants to know how to save money, he should look at the £7 billion of fraudulent claims in the social security system. What about the £1 billion budget for health service computers, which do not even work properly and are unlikely to meet compliance targets by 2000? What about the £150 million wasted on reforming the GP fundholding system in the huge primary care groups, which will disadvantage my constituents? Savings can be found in plenty of areas of Government policy, if only Labour Members had the imagination to look for them.

Mr. Davies *rose—*

Mr. Clifton-Brown: I hope that the hon. Gentleman's next intervention will be a little more sensible than his last one.

Mr. Davies: Does the hon. Gentleman accept that the previous Government had 18 years to make savings from the long list that he has just given, particularly from social security fraud, but that they failed to do so?

Mr. Clifton-Brown: We left the Government a golden economic legacy. Such a scenario, with growth exceeding inflation, has been achieved only twice since the war. That is the only way sustainably to increase Government expenditure commensurate with lower taxes.

I now wish to deal with the subject of keeping taxes down to their optimum level. We spent 18 years encouraging inward investment and were very successful at it. One year, we had a quarter of all Europe's inward investment from firms such as Siemens, Fujitsu and Lucky Gold, which all invested huge sums in this country. They are now so worried about our long-term economic future that they have decided that it is no longer viable to remain here. We shall lose jobs. The Government are far too complacent about the employment figures. No Labour Member has been able to say whether employment will be higher when Labour leaves office than it was when they took office. I fear for the jobs of my constituents and those of other hon. Members. Jobs will be lost over this economic cycle owing to the Government's economic mismanagement.

One has only to look at some of the measures, both economic and social, that the Government have implemented. One of the first was to join the European social chapter; emerging from that was the disastrous working time directive. They have instituted domestic measures, such as the minimum wage, which will damage employment. All those measures combined will lead to an unemployment rate that is common in Europe, but not yet common here.

[Mr. Clifton-Brown]

In Europe, the average unemployment rate is 10 per cent. and there are almost 20 million unemployed people. I never want to see this country with unemployment rates approaching that figure, but I fear that the Government's complacent economic policies will lead us in that direction.

Mr. Bercow: My hon. Friend is developing a powerful thesis. Does he share my shock that, this morning, the Secretary of State for Trade and Industry described the estimated annual £200 million cost of the parental leave directive as "marginal" and merely a drop in the ocean? Is not that outrageous?

Mr. Deputy Speaker: Order. Before the hon. Member for Cotswold (Mr. Clifton-Brown) resumes his speech, may I advise the House that only a short time remains for Back-Bench speeches? Constant interventions will remove the opportunity for some hon. Members to speak.

Mr. Clifton-Brown: I shall observe your strictures, Mr. Deputy Speaker, and try to be as succinct as possible.

My hon. Friend is absolutely right. The red tape that has been imposed on businesses, particularly small businesses, which has come from both this country and Brussels—

Mr. Ivan Henderson (Harwich): Will the hon. Gentleman give way?

Mr. Clifton-Brown: Labour Members cannot hear, let alone understand; and if they cannot hear, they cannot understand.

I am worried that the Item Club predicts the loss of 500,000 jobs in this country. Some of the policies introduced by the Government seem to be leading us in that direction.

I wish to deal with fiscal policy. There have been five base rate increases since the Government came to power. Interest rates are now at an unsustainable 7 per cent., which is 2 to 3 per cent. above the European average. That imposes huge cost burdens on businesses, particularly small businesses. However, the most important factor is that millions of people are paying more for their mortgages each month than they need to. Interest rates could now be lower if the Government had not botched up matters. We should look towards more stable spending, and the Monetary Policy Committee must decide whether confidence will prevail in the world economy. If it does not, the problem will not be meeting inflation targets; it will be deflation.

The world economy is based on confidence. In Japan, confidence has disappeared from the system and the Japanese Government have had to take extraordinary measures to try to reflate the economy. Just last week, they gave each man and woman £160 each to spend in an attempt to boost the economy. If confidence starts to disappear from the American economy, we shall all be affected. As an old prophet said, if General Motors catches a cold, we all catch 'flu—or something like that. If the American people stop spending, we shall undoubtedly be hit.

I urge the Government to look seriously at the role of the Monetary Policy Committee. First, it needs to be given a much wider role, not just the single remit of hitting an inflation target set by the Government at 2.5 per cent. That could drive the country into even deeper recession. Secondly, the Government should look at the MPC's composition. Only one member of the committee has had real experience of business, so members do not understand the misery that they are imposing on small manufacturing businesses by not running a more realistic interest rate policy. An interest rate that is more in line with those in Europe would make this country more competitive.

I wish quickly to mention a number of other issues. A Cabinet Committee is looking into public expenditure. Will the Economic Secretary explain what would happen if a Government Department were to overspend its budget? We are told that some expenditure might be held back next year. Does that mean that if the Department of Social Security overspends, some people will not be paid their jobseeker's allowance next year?

The Government's economic policy has led the country into recession, and we shall go into deeper recession still. This afternoon, the Prime Minister could not make up his mind on one of the most important economic topics that the country has faced since the war—whether to join European monetary union. He could not tell us whether, in principle, we would join—*[Interruption.]* Labour Members laugh, but it is one of the most important questions that business men want to know. The Prime Minister would not and could not say because half his party is opposed to it, and half is in favour, and he does not know what economic conditions will be in place when we face the prospect of a referendum. Therefore, why cannot he tell us whether he is, in principle, in favour of joining if the economic conditions are right? I believe that that is what his policy is, but why cannot he tell the House in clear terms what it is?

This recession has been made in Downing street. We will get a deeper and deeper recession. Tax receipts will drop, unemployment will go up, and we can blame it fairly and squarely on the Chancellor's botched economic policy.

6.19 pm

Mr. Edward Davey (Kingston and Surbiton): When the House has debated the record and policies of Chancellors, it has debated the mix between monetary and fiscal policy: whether he is going for a tight monetary policy with a tight fiscal policy, or some other combination. Since the Government made the Bank of England independent, with the possibility of the euro down the track, our debates on the economy have changed. We welcome that, but what the House has not caught up with is the different ways in which fiscal policy can be actively used to affect the management of the economy.

One of our major criticisms of the Government is that they have not caught up with the dynamics of the changed decision-making process that they gave birth to. We feel that the Chancellor and Her Majesty's Treasury are not taking sufficient account of the effect of their fiscal policy on the interest rate decisions of the Bank of England.

So we have to start at the basics—analyse the way in which active fiscal policy can work. The Conservative Government, particularly in the Lawson era, said that

active fiscal policy had no role in demand management. The new Government have rejected that ideology, but they have not made it clear how they envisage fiscal policy working in the short and medium terms.

The Government have set fiscal rules. They have set a framework for the long-term direction of fiscal policy, which we welcome, but they have not made clear how they envisage the role of fiscal policy in the short and medium terms. That is an important theoretical issue, with practical implications because of the independence of the Bank of England and the way in which fiscal policy, set in the short and medium terms, affects its decisions.

There are three ways in which fiscal policy helps in managing the economy. First, there is the aggregate effect—tightening or loosening fiscal policy can affect aggregate demand. Of course, there can be cyclical tightening or loosening, but there is also discretionary tightening or loosening. That is the decision of the Chancellor: whether, on a discretionary basis, he wants to take money out of the economy, or put it in through tax and spending.

Secondly, the way in which fiscal policy is tightened or loosened can affect the economy—the decision between different taxes and different spending; between whom in the economy to hit with taxes and whom to relieve of taxes; the decision on whether to increase public sector pay of certain groups of workers. All those types of decisions—micro-elements of fiscal policy setting—have a macro-effect. It is in that sector that the Government have made some of their major mistakes.

There is a third way in which fiscal policy affects macro-economic management. That is the rhetoric that lies behind the setting of fiscal policy because it can affect expectations of consumers and business. We saw that in the Lawson boom period. His rhetoric after the 1988 Budget seemed to suggest that national debt would be paid off, and that there would be income tax cuts for ever more. That engendered a feeling of euphoria, so people in the private sector borrowed loads of money and spent, spent, spent. Nigel Lawson's rhetoric fuelled the economic boom.

Similarly, the rhetoric of today's Chancellor is important in relation to the decisions that private sector agents take. Of course, with the independence of the central bank, the Chancellor's rhetoric is also important in relation to the Bank's decisions.

I am glad that the House has allowed me to explain the process in which fiscal policy affects economic management. When we look at fiscal policy from its theoretical basics, we can understand where the Government have made their mistakes in their first 18 months in office.

Our contention is that the Government got the fiscal policy judgment wrong in the July Budget of 1997. The Chancellor said in the House that the economy was unbalanced, manufacturing was slowing and consumers were still spending at quite fast rates, but the fiscal policy that he then proposed did not match that analysis. He failed to take the heat out of the booming sector—the consumer sector—but ladled taxes on to the sector in decline: the manufacturing sector.

Mr. Clifton-Brown: Does the hon. Gentleman agree that, if the remit to the Monetary Policy Committee had been wider than merely trying to meet an inflation target—for example, if things such as growth and unemployment had been built into the remit—we would have had a more realistic fiscal policy last year?

Mr. Davey: I cannot agree with the hon. Gentleman. I do not think that there is a connection. It was his party that signed the Maastricht treaty, whose mandate for the European central bank was similar to that introduced by the United Kingdom Government, but my point is that the fiscal policy that was set in the July 1997 Budget was wrong.

In yesterday's pre-Budget report, the Chancellor set out the fact that fiscal policy was tightened on a discretionary basis.That is clear because the Government increased taxes on industry and savings and squeezed public spending in their first two years—there was a discretionary tightening of fiscal policy. However, they failed to apply the tightening of the fiscal policy correctly. They tightened it not on those people who were spending, but on those who needed help. That is why manufacturing has been hit so badly—because of the Chancellor's mistaken judgment on where the tightening should take place in the economy.

The rhetoric was wrong. It gave all the wrong signals. Consumers were not told that their actions—the way in which spending was still taking off—were damaging economic prospects. The euphoria of the election victory or the fact that the Government's hands were tied after their fairly irresponsible election promises never to use personal taxation to govern the economy may have been the Government's excuse; but if they are really serious about managing the economy for the long term, and we have heard how many times the Chancellor uses that phrase in the House, they should be prepared to take difficult decisions, tough decisions, on personal taxation when they are necessary.

The evidence that the markets felt that the Government had got their fiscal stance wrong in July 1997 was shown almost immediately after that Budget because there was a rise in the pound. The expectation was that, because of the Chancellor's fiscal decisions, interest rates would have to rise—and indeed they did.

The point of that analysis is to show that this downturn, the recession in manufacturing, has been directly caused by the Chancellor. It is, to use the soundbite that is so popular among Conservative Members, a recession made in Downing street. By using fiscal policy properly, we can affect our country's economic future, even though the Bank of England is in charge of interest rates.

Mr. Gardiner: I have listened with great care to what the hon. Gentleman has said about fiscal policy and tight fiscal policy. Does he recall his remarks on 10 July last year? He urged the House to face up to the need for higher interest rates. He blamed the Conservatives for their reluctance to raise them at the correct time, but also blamed the Government.

What did the hon. Gentleman blame the Government for? He blamed the Government for their too tight fiscal policy, yet at the same time he opposed the £5.2 billion tightening of fiscal policy, which was the windfall tax, and the £5 billion tightening of fiscal policy, which was the abolition of the advance corporation tax credit.

[Mr. Gardiner]

He should remember his remarks, made in this Chamber not so long ago, when he lectures the Government about fiscal tightening.

Mr. Davey: The hon. Gentleman quotes me out of context. In that full speech, I made it clear that it was the way in which the Government were tightening fiscal policy—the fact that they were loading taxes on the business sector—that was the problem. In our alternative Budget, we proposed clearly where taxes should go up, so it was not tightening of fiscal policy that we were running away from. We were criticising the Government for the fact that they were making the wrong fiscal policy judgments.

It is now time the Government looked at the way in which fiscal policy can be used to support the economy in the short and medium terms. They have had many reviews to do with fiscal policy and launched many papers about how it should be set for the long term; but with an independent central bank and with monetary union a not too distant prospect—I hope—the Government need to revisit fiscal policy theory and decide whether they are prepared to use fiscal policy actively to promote the interests of this country.

6.29 pm

Mr. David Heathcoat-Amory (Wells): The House cannot take too seriously speeches calling for taxation to be used as a means of fine-tuning the economy. Those policies are understandable from the Liberal Democrats, because we know that they want to give up control of monetary policy to the European central bank in Frankfurt, which would leave us with only fiscal policy to regulate or control the economy, but we cannot take them seriously because they never say what they are calling for. What taxes do they want to increase, and what taxes do they want to reduce, now or in the future? Their policy is confused and confusing.

Mr. Edward Davey: Will the right hon. Gentleman give way?

Mr. Heathcoat-Amory: The hon. Gentleman has made his contribution.

No economist seriously suggests that tax changes can be used to regulate the economy. They are too blunt and slow-acting in their effects. That is why it is generally accepted that interest rates must be used from time to time. It is a matter of regret that the Liberal Democrats want to give up that domestic instrument to a bank based in Frankfurt, whose interest rate changes would only by coincidence have anything to do with the domestic requirements of the British economy.

Mr. Davey: Will the right hon. Gentleman give way?

Mr. Heathcoat-Amory: As I have referred to the hon. Gentleman, I shall give way.

Mr. Davey: The right hon. Gentleman incorrectly says that we have not stated our fiscal policy proposals. If he is so concerned about Opposition parties stating their policies, will he tell the House the Conservative party's policy on the independent central bank?

Mr. Heathcoat-Amory: The hon. Gentleman has a short memory. I do not remember whether he was a member of the Standing Committee that considered the Bank of England Bill. I think he was, in which case he will have heard us at length and repeatedly setting out our objections to the Bill. It was the wrong policy brought forward for the wrong reasons at the wrong time, in defiance of an election promise to the contrary. That is why we opposed the Bill. By the way, the legislation has not resulted in an independent Bank of England. If that is what the hon. Gentleman was after, he has not got it. All our criticisms and observations about that mistaken policy have turned out to be tragically justified and true.

Mr. Ivor Caplin (Hove): Will the right hon. Gentleman give way?

Mr. Heathcoat-Amory: Later, possibly, but I am aware of the shortness of time.

I want to place on record our disappointment that the Chancellor, who had an opportunity in the debate to defend and explain the figures in his pre-Budget report, instead engaged in irrelevant bluster and obfuscation that left no one any better informed about the implications of his policies for the British economy.

We may be witnessing an unfolding tragedy, because the Government are defying almost all independent observers and commentators in their growth forecasts. Instead of recognising the severity of the growth decline that the British economy faces, the Chancellor has gone, almost isolated, for a little dip next year and then an extraordinary acceleration in subsequent years, way above what he forecast only four months ago. No explanation was given for this sudden spurt—a sort of millennium boost for the British economy that we are told will manifest itself in 2000 and thereafter.

In addition, the pre-Budget statement contains a £9 billion increase in public expenditure over the next three years, set out on page 121. Meanwhile, on page 120, the Government are assuming that unemployment will remain flat at its September level. No one can believe that that is a realistic or prudent assumption. Then the Chancellor tells us that his new annual borrowing requirement—what used to be called the public sector borrowing requirement before all the definitions were changed—will be less than he predicted only four months ago.

The truth, as has been widely said in the press, is that we are faced with fantasy economics. That discredits the Chancellor's announced policy for everyone else in the G7 of increased transparency and rigour in the publication of national accounts. If he continues to defy what the rest of the world knows about the real economy, he will undermine confidence in public policy.

I should like to re-engage the Chancellor for a moment with the real world of job losses and increased job insecurity. The small print of the pre-Budget document contains some evidence of a severe manufacturing downturn. Page 109 records, almost in passing,

that manufacturing output next year may fall by 0.25 per cent. The Chancellor did not refer to that in his statement, but it is in the small print. The same page contains the frightening fact that by far the fastest-growing items of national accounts are imports, which are increasing by 7.25 per cent. this year. The balance of payments will weaken by between £7 billion and £9 billion every year. That is the real economy.

I recognise and forgive the fact that no Treasury Ministers have any experience of running, or even working in, a business. Perhaps the only exception is the Paymaster General, who sadly attends none of our debates these days. He certainly has experience of dealing in a number of companies, but no one in the Government, from what I can tell, has ever worked in or run a business of any size, as my hon. Friend the Member for East Yorkshire (Mr. Townend) pointed out.

Mr. Gardiner: The hon. Member for East Yorkshire (Mr. Townend) referred to the distinguished and honourable club of those in the House who have experience of running a business. I count myself among the members of that club. I particularly recall the time under the previous Government when the exchange rate stood at $1.95. Trying to run a business with such a high exchange rate was very difficult.

Mr. Heathcoat-Amory: I did not know that the hon. Gentleman had made it to the Front Bench. I was simply pointing out that no one in the Government had any experience of running a business. If the hon. Gentleman has such expertise, I wish that he had a little more influence.

I wish that the Government would at least listen to business men. Ministers may have no direct experience, but that does not mean that they cannot listen. We have heard nothing for businesses of any size from the Chancellor. He merely crows about his one great achievement, which was getting inflation down to his target of 2.5 per cent.

Some unkind people might observe that that had a great deal more to do with the downturn in the world economy and the strong pound leading to cheaper imports than anything that the Chancellor has done, but let us be generous and concede that the Chancellor has achieved the goal of getting inflation down to the level that he inherited. In the last month of the previous Parliament, we achieved our inflation target of 2.5 per cent. or less. Inflation then went up under the new Government, and the Chancellor has now at last got it back down to our level.

If that is such a triumph for the Chancellor's management of the economy, why does he not take similar responsibility for everything that has gone wrong? At that point he falters, and suddenly the problems have nothing to do with him, but are all the fault of the global slowdown. As many of my hon. Friends have pointed out, that does not explain why the slowdown in the global economy has affected this country almost uniquely. We are by far the worst affected, except for Japan, where different considerations apply.

The reason is not a mystery. It is a result of the policy errors of two Budgets over the past 17 months. There were 17 tax rises in the first Budget. There has been an ill-judged attack on savings, too. The two most successful savings vehicles of all time—TESSAs and PEPs—were abolished and supposedly replaced by the wholly untried individual savings accounts, details of which are still unclear. There was the notorious £5 billion-a-year raid on pension funds. At the same time, the Chancellor was exhorting everyone to save more. That was exactly what the British economy did not want. That is why we are facing a downturn and a drop in growth that is far worse than any of our continental and overseas competitors—bar Japan.

Mr. Caplin: Will the right hon. Gentleman give way on that point?

Mr. Heathcoat-Amory: I will not; I have several other points to make in answering those already made.

My hon. Friend the Member for West Worcestershire (Sir M. Spicer) pointed out the mismatch between Treasury policies on taxation and expenditure, and Bank of England monetary policies, which are pulling in the opposite direction. To try to compensate for policy errors, the wretched Monetary Policy Committee has had to set interest rates way above what was otherwise required. That has helped to drive the economy to the brink of recession.

The Government's fourth policy error is the huge extra regulatory burden that has been dropped on British industry. The Chancellor has suddenly discovered a productivity gap—he mentioned it again in his speech earlier—yet he has done more than anyone to widen it. He tried to widen it when he was in opposition, by voting day after day, year after year, with all his hon. Friends, against all the trade union reforms, industrial reforms and privatisation measures that transformed the productive potential and productivity of the British economy.

Now that he is in office, the right hon. Gentleman is widening the productivity gap by imposing a £39 billion burden on business in this Parliament through extra taxes and extra business regulation. All those figures are from the Government. Departments have calculated in compliance-cost assessments the additional burden on British business men who face international competition.

Businesses do not want fantasy economics or lectures about their lack of productivity from the Chancellor; they want the measures to be reversed. They do not want gimmicky trivia about what the Government may do to tackle the problem in consultation in the years ahead; they want to be relieved of the £39 billion burden of extra regulation. They do not want another energy tax that is dreamed up by a consultative committee on the environment, consultation about a new banking committee, or another inquiry into the venture capital industry. They are not interested in the drawing up of what the Chancellor calls public service agreements—especially because they know that, for this Government, consultation means the Government talking to representatives of a few big businesses in London and totally ignoring the real concerns and requirements of business men in our constituencies.

Nor do business men like the misleading way in which the Chancellor pretended in his speech that employers will not pay national insurance contributions on earnings below £83 a week. Incidentally, that is a recycled policy. The Chancellor did not tell the other side of the story: businesses' national insurance contributions will rise in April from 10 to 12.2 per cent. That is the bad news; that

[Mr. Heathcoat-Amory]

is what will cost jobs. The Chancellor is entirely silent on that. That is why businesses do not trust the Government. They are not a business-friendly Government, because they speak only in half-truths.

The Chancellor is paying the price of 17 months and two Budgets of policy mistakes and financial blunders. The tragedy is that the rest of the country—businesses, savers and unemployed people—will shortly be paying the price. In winding up, will the Economic Secretary confirm that, even at this late stage, the Government will, in all modesty, propose a package of reforms to restore and revive the economy, rather than simply presiding over its decline?

6.44 pm

The Economic Secretary to the Treasury (Ms Patricia Hewitt): This debate on the economy was called by the Conservatives, and how revealing it has been. It certainly revealed in the first half hour that the Conservative party will shortly have to find another shadow Chancellor.

The Conservatives have made it very clear today that they are saying no to Bank of England independence, no to £40 billion extra spending on health and education, no to the minimum wage, no to the new deal for unemployed people, no to the working families tax credit, which will make work pay, no to parental leave, no to fair standards for working people, and no to the single currency—even if it is best for British people and their jobs. Most revealingly, we heard from the shadow Chancellor that the Conservatives are even saying no to protecting the basic pension against inflation.

Mr. Maude: The hon. Lady knows perfectly well that that is untrue. Our position remains exactly the same; we remain committed to the basic state pension, as we always have been. Are the Government committed to maintaining the basic state pension without means testing—yes or no?

Ms Hewitt: We made plain in the manifesto our commitment to the basic state pension as the foundation for security in old age. The right hon. Gentleman has refused to say, just as he did in his opening speech, whether the Conservative party is still committed—as we are—to raising the basic state pension in line with inflation.

Mr. Maude *rose—*

Hon. Members: Give way.

Ms Hewitt: No, the right hon. Gentleman will not answer the question.

Mr. Maude: On a point of order, Mr. Deputy Speaker. The Economic Secretary has directly misquoted me, and is refusing to give way in order to allow me to set the record straight.

Mr. Deputy Speaker (Mr. Michael Lord): Whether hon. Members give way is entirely a matter for them.

Ms Hewitt *rose—*

Mr. Maude: Will the hon. Lady give way?

Ms Hewitt *indicated assent.*

Mr. Maude: I should make it clear, in case the hon. Lady does not understand, that our commitment to the basic state pension and to raising it in line with inflation remains exactly as it always has been. She knows that perfectly well. Is her party committed to maintaining the basic state pension without means testing?

Ms Hewitt: It was in our manifesto, as I said, and as the right hon. Gentleman knows. I am delighted that, after giving the shadow Chancellor three opportunities to answer during his opening speech, we have finally heard a reply on the question of inflation.

Mr. Quentin Davies (Grantham and Stamford) *rose—*

Mr. Deputy Speaker: Order. The hon. Lady is clearly not giving way at the moment.

Ms Hewitt: The next question for the Conservative party is where it would cut public spending. It is against our public spending.

Mr. Davies *rose—*

Mr. Deputy Speaker: Order. I have just told the hon. Gentleman that the Economic Secretary has no intention of giving way at the moment. He should therefore resume his seat.

Ms Hewitt: Thank you, Mr. Deputy Speaker.

The Conservative party has now said that it would not wish to cut public spending by breaking the link between pensions and prices. I welcome that, but the shadow Chancellor has said that our public spending commitments on health and education are madness, and one of his colleagues described them as profligate.

Where would the Conservatives cut public spending? They have revealed this evening that they are against the additional public spending on health and education. The Conservative party is saying no to British business and no to the British people; no wonder British business and the British people are saying no to the Conservative party.

Then we heard from the hon. Member for Gordon (Mr. Bruce). What a difference there was between his constructive opposition and the shambles of the official Opposition. The hon. Member for Gordon, like the Chancellor and all my other right hon. and hon. Friends, supports the British economy, and will not talk it down as so many hon. Members have done this afternoon.

The hon. Gentleman asked a specific question about the excellent report by Lord Marshall, a former president of the Confederation of British Industry, about business use of energy—the report that has just been denounced by the Conservatives. The question for the hon. Member for Gordon is whether he is in favour of an immediate energy tax on business or whether, like us, he thinks it sensible to consult on the complex technical issues that Marshall raises, before we make a final decision on the recommendations of that interesting and helpful report.

Mr. Edward Davey: Are the Government in favour of an energy tax in principle?

Ms Hewitt: As the Chancellor said yesterday, we welcome the Marshall report. It is a constructive contribution to the debate, and we want to consult further on the technical and design issues it raises before making any decision on its recommendations.

My hon. Friend the Member for Shipley (Mr. Leslie) made another of his immensely enjoyable and well-informed contributions. They are becoming one of the most entertaining and welcome features of the economic debates in the House. I welcome the fact that he explained that it is the Conservative party that is talking down the British economy.

Mr. Lansley: As the Minister is keen on the Labour manifesto, will she explain why it said:

"An explicit objective of a Labour government will be to raise the trend rate of growth"?

All that has happened since the election is that the Government have reduced their estimate of the trend rate of growth, and they are now predicting that they will consistently under-perform it in this Parliament.

Ms Hewitt: I hope that the hon. Gentleman will therefore support the measures that we are taking to raise productivity in the British economy and put the macro-economic framework and public finances on to a sound basis. That is how we will raise long-term growth.

The hon. Member for West Worcestershire (Sir M. Spicer) complained about the Chancellor's revised economic forecasts. Perhaps I should remind him that the International Monetary Fund forecasts 1.2 per cent. growth for the United Kingdom economy next year, the European Commission forecasts 1.3 per cent. growth next year and 2.1 per cent. growth for 2000, and the National Institute of Economic and Social Research forecasts 1.1 per cent. growth next year, 2.2 per cent. for 2000 and 2.6 per cent. for 2001.

The Government's forecasts announced yesterday are revised, of course, to take account of what is going on in the world economy.

Mr. Nick St. Aubyn (Guildford) *rose—*

Hon. Members: He has not been here.

Mr. St. Aubyn: I attended the opening speeches, and I should like the Minister to explain whether she would like the Bank of England tomorrow to concentrate on her Government's great forecasts for next year and deliver only a small cut in interest rates, or to concentrate on the average of the growth forecasts, which are much lower, and deliver a bigger cut in interest rates?

Ms Hewitt: I realise that the hon. Gentleman has not been present for most of the debate, but perhaps he would like to tell us where he stands on independence for the Bank of England. We have given the Bank of England the responsibility to take the tough decisions that are needed to keep inflation under control, and we will back it in the decisions it makes.

To return to the hon. Member for West Worcestershire, what he did not tell the House is that, since the general election, there has been a 15 per cent. drop in unemployment in his constituency. We all welcome that, and I hope that he does too.

My hon. Friend the Member for Croydon, Central (Mr. Davies)—

Sir Michael Spicer: Will the Minister give way?

Ms Hewitt: No.

My hon. Friend made a thoughtful and well-informed speech, in which he rightly paid tribute to the Chancellor for his work and his role in bringing together the G7 countries in agreement on the steps urgently needed to stabilise the world economy. What a pity that neither on Monday nor this evening could the Conservatives bring themselves to welcome that statement, which was agreed with Governments of the right as well as of the left and centre. They lack the generosity to congratulate my right hon. Friend on his work in bringing that about.

The hon. Member for East Yorkshire (Mr. Townend) talked about rural restoring—an extremely important issue. However, he did not tell us that, as the Chancellor announced in the Budget, the Government are putting £50 million into rural transport funding, are freezing vehicle excise duty, and will cut that duty by £50 for the least polluting cars. He also failed to tell the House that there has been a 20 per cent. drop in unemployment in his constituency since the election.

Mr. Townend *rose—*

Ms Hewitt: I am afraid that I cannot give way; I am conscious of the time. I have taken enough interventions, and I must make progress.

The hon. Member for Cotswold (Mr. Clifton-Brown), in a rather excitable contribution, seemed to suggest, although the shadow Chancellor takes a different line, that he does not want the inflation-proofing of the basic pension that is part of our social security budget for next year.

Mr. Clifton-Brown *rose—*

Ms Hewitt: Let me ask the hon. Gentleman one more question first. Does he want to see the minimum income guarantee for pensioners to which we are committed, which we have introduced and which is in the social security budget for next year? Does he want to see the increase in child benefit that is also in the social security budget for next year?

Mr. Clifton-Brown: Will the Minister now tell the House clearly whether her party is committed to means-testing the basic state pension, and whether she intends to tax child benefit?

Ms Hewitt: It is high time that the hon. Gentleman and his colleagues read our manifesto; we made the position absolutely clear.

Mr. Quentin Davies: Will the Minister give way?

Ms Hewitt: No; I have answered the question.

Mr. Gerald Howarth (Aldershot): On a point of order, Mr. Deputy Speaker. I do not know whether you are aware of the fact, but the hon. Lady does not appear to be in command of her brief. Every time one of my hon. Friends puts a question to her, she merely repeats the answer already given by the Chancellor of the Exchequer. Is it proper that she—

Mr. Deputy Speaker: Order. That is clearly not a matter for the Chair.

Ms Hewitt: I am afraid, Mr. Deputy Speaker, that it is the Conservative party that is not in command of itself in the House.

Of course, the hon. Member for Cotswold failed to mention that unemployment in his constituency has fallen by 29 per cent. since the general election.

Mr. Clifton-Brown *rose—*

Ms Hewitt: No.

The hon. Member for Kingston and Surbiton (Mr. Davey)—

Mr. Kenneth Clarke: The hon. Lady, rightly, keeps mentioning the fact that unemployment has fallen in all those constituencies. We all welcome that, but she sounds as if the Government are taking the credit for it. They inherited a situation in which unemployment had been falling for years, but since her Government have been in power, the rate at which it has been falling has been slowing all the time. The reason for the debate is that unemployment will go up next year—sharply in the north and the midlands, and probably in my hon. Friends' southern seats as well. Does she intend to say a word about monetary or fiscal policy to explain why the Government's policies have produced a reverse in this country's jobs market?

Ms Hewitt: Not even the right hon. and learned Gentleman can rescue the Conservative party—there are 400,000 more people in employment since the general election, and more people in employment than ever before. We have tackled the inflationary pressures, and cut the £28 billion deficit which we inherited from the previous Government, we have reduced unemployment, and we are now tackling the productivity gap. We have made the tough decisions needed to end the boom and bust of the Conservative years and to achieve the macro-economic framework, the sound public finances and the investment in good public services that will enable the United Kingdom to steer the course of stability that we want and need in an increasingly unstable world.

I regret that the official Opposition are unable to recognise the mistakes they made, and unable to acknowledge the steps that we have taken. I commend our amendment to the House.

Question put, That the original words stand part of the Question:—

The House divided: Ayes 135, Noes 303.

Division No. 369] **[7 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Atkinson, Peter *(Hexham)*
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Body, Sir Richard
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brady, Graham
Brazier, Julian
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clappison, James
Clark, Dr Michael *(Rayleigh)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Colvin, Michael
Cormack, Sir Patrick
Cran, James
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Duncan, Alan
Duncan Smith, Iain
Emery, Rt Hon Sir Peter
Evans, Nigel
Faber, David
Fabricant, Michael
Forth, Rt Hon Eric
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Fraser, Christopher
Gale, Roger
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Goodlad, Rt Hon Sir Alastair
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hawkins, Nick
Hayes, John
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Horam, John
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Johnson Smith, Rt Hon Sir Geoffrey
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Lloyd, Rt Hon Sir Peter *(Farnham)*
Loughton, Tim
Luff, Peter
MacGregor, Rt Hon John
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Major, Rt Hon John
Malins, Humfrey
Maples, John
Mates, Michael
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Prior, David
Randall, John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Ruffley, David
St Aubyn, Nick
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Simpson, Keith *(Mid-Norfolk)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Townend, John
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Ayes:
Mr. Stephen Day and
Mr. Nigel Waterson.

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atkins, Charlotte
Barnes, Harry
Barron, Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Bell, Martin *(Tatton)*
Bell, Stuart *(Middlesbrough)*
Benn, Rt Hon Tony
Bennett, Andrew F
Bermingham, Gerald
Berry, Roger
Best, Harold
Betts, Clive
Blair, Rt Hon Tony
Blears, Ms Hazel
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brown, Rt Hon Gordon *(Dunfermline E)*
Brown, Rt Hon Nick *(Newcastle E)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Butler, Mrs Christine
Byers, Rt Hon Stephen
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell-Savours, Dale
Cann, Jamie
Caplin, Ivor
Calon, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clelland, David
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Connarty, Michael
Cook, Frank *(Stockton N)*
Cooper, Yvette
Corbett, Robin
Corbyn, Jeremy
Cousins, Jim
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Curtis-Thomas, Mrs Claire
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dismore, Andrew
Dobbin, Jim
Dobson, Rt Hon Frank
Donohoe, Brian H
Dowd, Jim
Drew, David
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Field, Rt Hon Frank
Fisher, Mark
Fitzsimons, Lorna
Flynn, Paul
Foster, Michael J *(Worcester)*
Galbraith, Sam
Galloway, George
Gardiner, Barry
Gerrard, Neil
Gibson, Dr Ian
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Grogan, John
Gunnell, John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, Rt Hon Ms Harriet
Heal, Mrs Sylvia
Henderson, Ivan *(Harwich)*
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hinchliffe, David
Hodge, Ms Margaret
Home Robertson, John
Hoon, Geoffrey
Hopkins, Kelvin
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Mrs Fiona *(Newark)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Kelly, Ms Ruth
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Linton, Martin
Livingstone, Ken
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
Macdonald, Calum
McDonnell, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
Mackinlay, Andrew
McNulty, Tony
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mandelson, Rt Hon Peter
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall-Andrews, Robert
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Meale, Alan
Merron, Gillian
Michael, Alun
Michie, Bill *(Sheff'd Heeley)*
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morris, Ms Estelle *(B'ham Yardley)*
Mowlam, Rt Hon Marjorie
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Naysmith, Dr Doug
Oaker, Bill
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prosser, Gwyn
Purchase, Ken
Quin, Ms Joyce
Radice, Giles
Rapson, Syd
Reid, Rt Hon Dr John *(Hamilton N)*
Robertson, Rt Hon George *(Hamilton S)*
Robinson, Geoffrey *(Cov'try NW)*
Rogers, Allan
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruddock, Ms Joan
Ryan, Ms Joan
Salter, Martin
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Shipley, Ms Debra
Short, Rt Hon Clare
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, Ian *(Eccles)*
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Vaz, Keith
Vis, Dr Rudi
Ward, Ms Claire
Wareing, Robert N
White, Brian

Williams, Rt Hon Alan (*Swansea W*)
Williams, Alan W (*E Carmarthen*)
Wills, Michael
Winnick, David
Wise, Audrey
Wood, Mike
Worthington, Tony
Wright, Anthony D (*Gt Yarmouth*)
Wright, Dr Tony (*Cannock*)

Tellers for the Noes:
Mr. David Jamieson and
Mr. Keith Hill.

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments), and agreed to.*

MR. DEPUTY SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House notes that the Government inherited an economy set to repeat the same cycle of boom and bust seen over the past 20 years, that inflation was heading way above target because of the previous Government's failure to accept the Bank of England's advice and the public finances were in large structural deficit; recalls that under the previous Government inflation rose to 10 per cent, interest rates remained in double figures for four years and one million manufacturing jobs were lost, while net borrowing increased to £50 billion and the national debt doubled in just four years; notes that the previous Government's policies increased inequality and failed to tackle the structural weaknesses in the economy; commends this Government for its decisive action to build a stable economy, introducing a new framework for monetary policy under which inflation is now at target and set to remain there and interest rates are less than half their previous peak, reducing government borrowing by £20 billion last year and, because of prudent management of the public finances, remaining on track to meet its tough fiscal rules and invest an additional £40 billion in education and health, with an extra £250 million for the National Health Service this year, addressing structural weaknesses by tackling unemployment and poverty with the New Deals and tax and benefit reform, supporting British business by cutting corporation tax, doubling public investment to improve Britain's infrastructure and addressing Britain's productivity gap; and notes that there are now 400,000 more people in employment than at the General Election and that Britain is better placed to steer a course of stability in an uncertain and unstable world.

Agriculture

Mr. Deputy Speaker (Mr. Michael Lord): I have selected the amendment in the name of the Prime Minister. I must remind hon. Members that there will be a 10-minute limit on all Back-Bench speeches.

7.13 pm

Mr. Tim Yeo (South Suffolk): I beg to move,

That this House deplores the failure of the Government to respond to the deepening crisis in agriculture and to secure an end to the beef export ban; applauds the achievements of British farmers in raising animal welfare and environmental standards; recognises that a thriving rural economy depends on a viable agricultural industry and that this can be achieved by giving farmers a chance to compete on equal terms as summarised in the Opposition's call for a Fair Deal for Farmers; calls on the Government to renew or replace the Calf Processing Scheme, restore HLCAs to 1993 levels and take up agri-monetary compensation for the livestock sector financed by the underspends on the agriculture budget; urges action to establish honesty in labelling to help consumers make better informed choices, to encourage the purchase of home grown food by all public sector bodies and cut the burden of excessive regulation; calls for an immediate ban on the sale of food not produced to standards required in Britain; and condemns the hostility consistently displayed by Ministers to the country people in local government finance, transport and planning policy.

First, I must welcome the Minister of Agriculture, Fisheries and Food to the Dispatch Box. We are delighted that he has decided to take part in this debate. After all, it is his first chance to speak in a major agriculture debate since his appointment a little over three months ago.

Mr. Clive Betts (Lord Commissioner to the Treasury): It was the summer recess for most of that time.

Mr. Yeo: That is true, but it is also true that for the past three weeks the House has had to debate in Government time all sorts of non-urgent measures, one of which was inspired by the Ministry of Agriculture, Fisheries and Food on Thursday, on the important but not urgent subject of quarantine. So, this is the Minister's first chance to speak in such a debate and we welcome him to it.

As the right hon. Gentleman knows, in those three months the problems that face farmers have got much worse. Pig farmers have been going bankrupt, sheep farmers have been forced to shoot their flocks, and beef farmers still await an end to the export ban, while dairy farmers and cereal growers are suffering from falling returns. It is no exaggeration to say that the industry is in crisis. At first, the Government seemed inclined to ignore that crisis or even to deny it. Now that they have been forced to admit its existence, they seem confused about what to do. We have called today's debate to give the Minister a chance to end that confusion. Last Thursday, he told the House:

"Farmers are looking not for a debate, but for answers."—[*Official Report*, 29 October 1998; Vol. 318, c. 484.]

If it were left to the Government, they would get neither.

Mr. Geoffrey Clifton-Brown (Cotswold): Does my hon. Friend agree that what we want from the Government is a level playing field for agriculture? Does he also agree that, this year, about £310 million is available under

the agrimonetary compensation scheme? Nine other Governments have applied for it and it is high time that ours did, as that would considerably benefit our farmers.

Mr. Yeo: My hon. Friend is right. Farmers are looking for a level playing field. He will be amazed to hear that I intend to refer to agrimonetary compensation later as it is mentioned in our motion.

Mr. Robert Jackson (Wantage): A decision is pending which will be important for agriculture, given that it is in crisis—the referral of Milk Marque to the Monopolies and Mergers Commission. Given the condition of the industry and all the uncertainties and difficulties in which it finds itself, does my hon. Friend agree that it would be undesirable for that decision to destabilise that important sector?

Mr. Yeo: My hon. Friend is right. It is important that, where possible, we should strengthen the hand of dairy farmers. It would be damaging if the outcome of the inquiry weakened Milk Marque's position or that of other potential groupings in the dairy industry.

In opposition, we have the power to deliver a debate and we intend to use it this evening to tell the Minister the answers that he should be giving to farmers. Those answers are urgently needed because, this very evening, farmers are agonising over their future and need to make plans for the winter against a background of certainty, not doubt. Let no one underestimate the severity of the problem. As the Country Landowners Association said:

"For the first time in a century the depression in prices has extended across all agriculture."

Farmers Weekly has even published a leader warning of the risks of suicide among farmers. In 15 years of representing a farming constituency I cannot remember a bleaker period and right hon. and hon. Friends who have been in the House twice as long tell me that they cannot either. It is not merely farmers who are being destroyed; the entire rural economy has been hit. The fabric of our countryside is threatened—those parts of it which the Deputy Prime Minister has not covered in concrete through his damaging planning decisions.

Mr. Betts: Nonsense.

Mr. Yeo: The Deputy Prime Minister made a statement from the Dispatch Box in February that he would raise the target for the proportion of new homes built on previously developed sites and, since then, he has not allowed one county to revise its structure plan, so it is not nonsense; it is a fact and it is damaging green fields throughout the country. It is helpful of the Labour Whip to make it clear in a sedentary intervention that the Government do not care about the issue.

Today is the Minister's chance to stop the dithering and to show that the warm words that he has been dispensing so freely are backed up by action. We have heard his hints that help is on the way, so let us have the facts. If he has no more to say than the Minister of State said last week, he will provoke fears that, once again, the Ministry of Agriculture, Fisheries and Food has been outgunned by the Treasury and that the Government's policy on farmers is limited to hoping that the problems will ease if the pound goes down.

Charlotte Atkins (Staffordshire, Moorlands): Why did the previous Government never pay agrimonetary compensation to farmers?

Mr. Yeo: If the hon. Lady took the trouble to meet any farmers, she would learn that the current crisis in agriculture is of a wholly different order from anything that was experienced under the Conservative Government.

If the Government's policy on farming is limited to hoping that the pound will go down, the Minister will find that he has more trouble to face. To help him, we set out in the motion what needs to be done. The Government must either renew or replace the calf processing scheme. I warmly welcome reports today of progress towards lifting the ban on beef exports, but, even if the ban is lifted soon, it will take time for British producers to regain their market share. To end the calf scheme without even having a firm date for lifting the ban would be rash, so I urge the Minister to continue such help, at a lower rate if necessary, but certainly for another year.

Hill farming is one of the most vulnerable sections of the industry. The National Farmers Union report, "Protecting Our Upland Heritage", pointed out that two out of three Welsh hill farmers had incomes of less than £190 a week last year. The Farmers Union of Wales predicts that, this year, incomes will fall by more than half. In Wales, many farmers are working for incomes well below the minimum wage. Not surprisingly, among the FUW's priorities is the need for an increase in hill livestock compensatory allowances.

Last week, the Minister of State referred to the Government's intention to consider changes to HLCAs in the context of Agenda 2000. He said that the Government planned to consult on options for a new scheme later this year. That is all very well, but what is happening now? The hill farming review is supposed to take account of current conditions; surely an immediate increase in HLCAs is justified in response to the current crisis. Perhaps the former Secretary of State for Wales let the cat out of the bag when he said that no money was available. Is the review nothing more than a sham?

Mr. Anthony Steen (Totnes): I am grateful for this opportunity to draw the attention of the House to hill farmers not only in Wales but in Devon and Somerset. Is my hon. Friend aware that the earnings of Dartmoor hill farmers—and we should not forget the lowland farmers—are as low as those of Welsh hill farmers? I hope that he will tell the Minister what he should be doing about that, as the Minister clearly has not got a clue about what he should be doing.

Mr. Yeo: My hon. Friend is absolutely right. Everything I have said about Welsh hill farmers should be understood to apply to the equally urgent needs of hill farmers across the country.

Mr. Hilton Dawson (Lancaster and Wyre): Why did the previous Government freeze HLCAs in 1992? I suspect that it was not because hill farmers were doing so well; then, as now, they were on the margins of viability. Why the sudden change?

Mr. Yeo: I thought that I had explained that the purpose of the review is to reflect the current situation.

[Mr. Yeo]

The previous Government took decisions in relation to the situation that faced hill farmers at the time. I am asking this Government to do the same. Given what the former Secretary of State for Wales said, however, we fear that their minds have been made up regardless of hill farmers' needs.

My hon. Friend the Member for Cotswold (Mr. Clifton-Brown) mentioned agrimonetary compensation. Given the crisis in the livestock sector, why have not the Government drawn down the full amount of compensation? I am advised that £48 million is available this year for the livestock sector. Although taking up that money would of course cut Britain's rebate from the European Union, it would still represent good value, as the actual cash help to farmers would considerably exceed the net cost to the taxpayer. If the Minister does not take up that money, will he explain why he wants British farmers to be at a disadvantage to those farmers in other European countries who utilise that help when they are eligible to do so?

On the issues that I have mentioned, let us have no more dithering. Today, let the Minister show that he cares as much as we do about the survival of Britain's farmers.

Mr. Mark Todd (South Derbyshire): Will the hon. Gentleman return to his shopping list and say what amounts of money he suggests should be set aside in this year's expenditure plans to pay for his proposals?

Mr. Yeo: The hon. Gentleman has obviously read the motion—I am about to come to that very point.

We have tried to make life easy for the Minister—[HON. MEMBERS: "Shame."] We must remember that the Minister is not his predecessor. I admit that that is not a demanding benchmark, but he deserves a fair chance. The motion points out that, this year and last year, there has been an underspend in the agriculture budget. In plain English, that means that the Labour Government decided to spend less on agriculture during their first two years in office than the outgoing Conservative Government would have done if they had been re-elected.

Mr. Shaun Woodward (Witney): I am grateful to my hon. Friend for giving way; he has been extremely tolerant in taking a number of interventions, not least from Labour Members, who seem hellbent on referring to the past when they should be focusing on their responsibilities for the present, which are indeed onerous. Of course farmers faced difficulties under the Conservative Government, but those difficulties have now turned into crisis and depression. In my constituency, farmers—especially those in the pig industry—face particularly severe problems. Farm-gate prices have fallen by some 60 per cent. in the past two years. We look forward to hearing the Minister give a response that will, unlike those that he has given in the past, tell pig farmers what short-term help they will receive to prevent even more of them from going bust in the next few months.

Mr. Yeo: My hon. Friend is right. It is no exaggeration to say that agriculture is threatened by depression. He is also right to highlight the problems of pig farmers, which I shall deal with in a moment.

As I was saying, the Government have cut help to farmers—help that they would have received from a Conservative Government—just as the industry is sliding towards depression. The cost of the measures that I have proposed is significantly less than the underspend on the agriculture budget in the past two years.

Mr. Alan W. Williams (East Carmarthen and Dinefwr): Does the shadow Minister recognise that the Government's expenditure on agriculture is greater than that for the whole of the Department of Trade and Industry? There is one reason for that—the Conservative Government's legacy of BSE.

Mr. Yeo: I am not sure whether the hon. Gentleman is saying that the Government are spending too much on agriculture. If so, I have no doubt that the Minister will respond to his point.

In our fair deal for farmers campaign, we have also highlighted non-financial issues, such as the sale of imported food that has been produced under conditions that are not allowed in this country. I believe that many consumers would be shocked if they knew what was happening.

I take the example of pigs. British pig farmers have invested heavily to meet the higher animal welfare standards that the public rightly demand. That has made their costs higher than those of their European competitors. British pigs are no longer reared in stalls or on tethers and they are not fed on meat and bone meal, yet British bacon sits on the counter alongside bacon imported from countries where animal welfare standards are lower and restrictions on feeding are less tight, and consumers remain in the dark.

British pig farmers are suffering from unfair competition, and that situation should stop now.

The Minister of Agriculture, Fisheries and Food (Mr. Nick Brown) *indicated assent.*

Mr. Yeo: I am glad that I have carried the Minister on that point.

Mr. Paul Tyler (North Cornwall): As I asked the hon. Gentleman this question last week and he has had 10 days to think about it, I hope that he will be able to answer. If it is time for that unfair competition to stop now, why was it not the time for it to be stopped when it started? Under the previous Government, the pig sector was very hard hit by exactly the same problem. I constantly pressed Ministers to do something, but nothing was done. Why not?

Mr. Yeo: I deeply regret giving way to the hon. Gentleman, who made a very childish contribution at business questions last Thursday and who has displayed his extraordinary ignorance of the subject that he is trying to address. The pig sector is going through a major crisis: pig farmers are going bankrupt every week. That situation requires an urgent response and could not be more different from the highly profitable conditions that pig farmers enjoyed under the Conservative Government.

Mr. Keith Simpson (Mid-Norfolk): Is my hon. Friend aware that, yesterday morning, my right hon. Friend the

Member for South-West Norfolk (Mrs. Shephard), my hon. Friend the Member for North Norfolk (Mr. Prior) and I attended a meeting in Norwich with a large number of pig farmers who made the point that, although there have been problems in the past, there has never been such a crisis in pig farming? They are not people who complain or whinge, and they are not subsidised—I know that the Minister will agree with that—but they are literally at the end of their tether. They want more than good words and an appearance by Ministers at a pig industry breakfast. They want the Government to take action and not simply to go through the motions of support.

Mr. Yeo: My hon. Friend is absolutely right. His knowledge of and interest in the pig industry contrasts sharply with the ignorance displayed by the hon. Member for North Cornwall (Mr. Tyler). I hope that pig farmers in the west country will be aware of how little he knows about the subject.

A great deal of poultry is being imported from the far east. Avoparcin, a growth promoter which was banned in Europe two years ago, is still widely used in feeding poultry in the far east: another fact which, I suspect, is not widely known by consumers. The Opposition believe that the sale of food produced by methods not allowed here should be halted.

If good British beef can be banned from entering the rest of the European Union, the Government should be able to find a way of stopping the importation of illegal food. They could start by reading article 36 of the treaty of Rome, which is now article 30 of the treaty of Amsterdam, which allows restrictions on imports if they can be justified on the grounds of protecting the health and life of humans and animals. Will the Minister urgently investigate how such items can be prevented from coming into Britain, or does he prefer to let the British public remain in the dark and go on buying food the production of which has involved unlawful methods?

I was delighted by today's news that the supermarkets have agreed to make it clear to consumers which food is grown in Britain and which is merely processed here.

Mrs. Angela Browning (Tiverton and Honiton): My hon. Friend will recall that, in last Monday's debate, I and my hon. Friend the Member for Teignbridge (Mr. Nicholls) asked why schools in Devon serve Irish rather than British beef. The following day, the chief executive and the Liberal Democrat leader of Devon county council explained to us and, I believe, to the hon. Member for Torridge and West Devon (Mr. Burnett), that no British company wanted the contract.

I did not believe that to be the truth, and I wrote to the council leader immediately asking him to print the names of all those who had tendered for the contract. I have not received the names. I contacted him again today and he told me that he would write to me shortly. Is not that disgraceful from a council led by a party that says that we should support British farmers?

Mr. Yeo: My hon. Friend performed a valuable service for the House, for the voters of Devonshire and for food producers in the western region by exposing the Liberal party's duplicity. I am pleased that she is pursuing the matter and deeply shocked at the failure of the council concerned to give a straight answer to a straight question. The Liberal party has been shown up for what it is, preaching one thing but doing another.

It was unsatisfactory that food could be labelled as British when in fact it was sourced outside this country, and we have been calling for some time for the distinction to be made clear to consumers. I pay tribute to those involved in taking that important step forward and I hope that action will be immediate.

Steps must also be taken in the public sector. Some weeks ago, I wrote to the Home Secretary and to the Secretaries of State for Health, for Education and Employment and for Defence to ask whether they would issue guidance on food purchasing to prisons, hospitals and schools. To date, only one of those four Departments has even replied to my letter. That does not suggest that helping local farmers is a high priority for the Government.

The one Department that replied, the Department for Education and Employment, made it clear that it did not want to issue guidance on the matter, preferring to leave it to the local authorities: hardly encouraging, since most local authorities offer no guidance apart from a consistent hostility towards beef among Labour-controlled councils.

Mr. David Drew (Stroud): All local authorities work under the competitive tendering regime. Which Government were responsible for introducing that?

Mr. Yeo: There are still ways in which councils could encourage local farmers. Sourcing food locally produces higher quality and better value for money, and I understand that the Government wanted that to be done under their best value programme for local councils.

As we have heard, not only Labour councils are letting down British farmers; the Liberal Democrats are at it as well. I hope that the Minister will accept that the public sector has many opportunities to buy locally produced food. Will he at least find out whether his Cabinet colleagues are willing to give a lead? Does he agree that their failure even to answer my letter after seven weeks suggests that they do not care much about the countryside?

It is just over five weeks since the Meat (Hygiene and Inspection) (Charges) Regulations 1998 came into force. They impose a heavy cost on abattoirs, and especially small ones, which are required to pay for the much more intensive supervision of their work that now takes place. The extra costs are a burden and tend to reduce the prices that they can afford to pay farmers for livestock. Will the Minister find out quickly how those costs are being met in other European Union countries? Does he recognise that the costs may be placing an unfair burden on Britain, putting businesses and farmers here at a disadvantage relative to the rest of the EU?

In our campaign for a fair deal for farmers, we are concerned about the Government's general attitude to the countryside. Farmers are already struggling and the morale of the whole rural community has been further weakened by the Government's hostility. [HON. MEMBERS: "Oh dear."] That was an instructive reaction. Government Back Benchers, some of whom may even claim to represent rural seats, are trying to rubbish this point. Let me remind them that, last year, the Deputy Prime Minister cut by £100 million the cash that was given to rural councils, resulting in fewer services in rural areas. Will that cut be reversed when the cash help—the revenue support grant—for next year is announced in four weeks' time?

[Mr. Yeo]

Have the Labour Members who are trying to rubbish this point made any representations on behalf of their constituents? Will the Minister tell us whether he has made representations to the Deputy Prime Minister? Does he understand that the matter is important to the rural communities? Will he tell us this evening what he has been doing?

While the Minister is speaking to the Deputy Prime Minister, will he also tell him to drop the threat of a new law for a right to roam? Good progress is being made on increasing access to private land on a voluntary basis. Why will not the Government let that continue, without more threats?

We warmly welcome the progress that is being made towards lifting the beef ban. I wish the Minister well in his efforts to have it lifted at the Agriculture Council meeting later this month. Does he recognise that even if the ban is lifted, it will take some time before the markets are recovered? Will he confirm that the lifting of the ban will be partial, not total, and that it will still not be possible to export beef on the bone, and the export of pedigree cattle—the best of British breeding stock—will still not be able to resume?

When will the Minister see sense and accept our request for a lifting of the ban in Britain on beef on the bone? That ban was introduced by his predecessor last December. It damaged confidence in British beef just when the Government should have been trying to boost it. The ban was not justified then and is not justified now. Even a year ago, one of the options from the Spongiform Encephalopathy Advisory Committee, SEAC, was to publish the research and the risk assessment and to let consumers decide. Will he agree this evening to do that?

Agriculture is in crisis—a crisis that affects the entire rural community. Action is needed now. Any delay by the Minister amounts to fiddling while Rome burns. I have set out three financial measures, which could be paid for out of the underspend on the agricultural budget, and five other steps that would not cost the taxpayer a penny. Farmers in every corner of Britain are waiting for the Minister's reply. The best early Christmas present to them would be for him to accept the Conservative motion, which I commend to the House.

7.41 pm

The Minister of Agriculture, Fisheries and Food (Mr. Nick Brown): I thank the hon. Member for South Suffolk (Mr. Yeo) for arranging the debate, and for the welcome that he has again given me to the Dispatch Box.

Leaving to one side all the political rhetoric and knockabout, and dealing just with the ideas that the hon. Gentleman advanced, it is clear that there is not as much between us as those observing these proceedings might think. Many of the ideas that he advanced are perfectly sensible and it is entirely reasonable for him to invite Government to consider them.

Nevertheless, I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

"welcomes the Government's strong commitment to the United Kingdom farming industry and to the wider rural economy; recognises that the lifting of the beef export ban in Northern Ireland represents the first crucial step towards lifting the ban from all parts of the United Kingdom; welcomes the steps which the Government has taken since May 1997 to support the beef and sheep industry via EU agri-monetary compensation and relief from charges; acknowledges the steps taken specifically to help the sheep, pig and cereal sectors with targeted EU measures; and endorses the Government's intention to bring about a secure and viable future for United Kingdom farming by seeking a reformed Common Agricultural Policy, which is more economically rational, which reduces the bureaucratic burden on farmers, which enhances targeted support for the rural economy, which serves the consumer well and which contains fair and common rules to ensure that the United Kingdom's farming and food industries can exploit their competitive advantages in European and world markets." *[Interruption.]*

I see that Opposition Members are disappointed—they thought that I would simply accept the motion and we could all go home. Unfortunately, that is not possible. As they have arranged for the debate and taken the trouble to get me to the Dispatch Box, the least that I can do is to respond to the hon. Gentleman.

I acknowledge that agriculture is going through difficult times, and that the times are hardest for hill farmers and those more generally in the livestock sector. I acknowledge that times are difficult also for others in agriculture. There are a range of reasons for this, some sector-specific and some general. In some sectors, supply is out of balance with demand, not just in the United Kingdom, but in western Europe.

Against that background, I freely acknowledge that the terms of trade in the recent past have been difficult for British farmers. The collapse of important export markets in Russia and the far east has exacerbated the problem, as has the ban on the export of British beef, which has not only made life difficult for farmers, but led to loss of important markets. Over-optimistic assumptions about the scale of future demand were made in some farm sectors.

The industry's problems are exacerbated because all those factors, each of which would cause problems on its own, have come at the same time. Agricultural production is a cyclical industry. Its current difficulties are heightened because most sectors of the industry are suffering a downturn simultaneously.

Mr. Woodward: Will the right hon. Gentleman acknowledge that farming is in recession? If so, does he propose to take immediate action to help farmers out of the recession?

Mr. Brown: I do not want to engage in a semantic debate about crisis, recession or difficulties. That would not help. If I were a farmer who was making an assessment about how to get through the present problems, and looking hard at what the Government could do to help, but acknowledging that ultimately I had to make my way in the marketplace, I would not want to go to see my bank manager, if I were asking for my loan facility to be extended, and hear the bank manager say that the Minister had just confirmed that farmers were going through a crisis.

One must respond proportionately and accept that the ultimate decisions will be made by individuals who are quite capable of taking charge of their own affairs in the marketplace. Government have a responsibility to be candid about the shape of the marketplace. That is

particularly important in the agricultural sector, because the parameters are set to some extent artificially by the workings of the common agricultural policy.

Several hon. Members *rose—*

Mr. Brown: I shall work round the Chamber, if that is acceptable to the House.

Sir Robert Smith (West Aberdeenshire and Kincardine): Does the Minister recognise that if a farmer goes to his bank manager and presents his books, the bank manager is likely to foreclose on the farmer unless he is aware that there is a general crisis. From my conversations with bank managers, it seems that their head offices are being helpful and telling bank managers that a 50 per cent. drop in the books is not unique to a particular farmer and represents not a failure on the part of that farmer, but the crisis facing the industry. It is important for farmers that bank managers understand that—

Mr. Brown: I have got the point. The banks follow these matters closely, for obvious reasons—it is their money that they are lending. I do not want to make matters worse for farmers through the use of inappropriate language. I want to deal with the situation in its proper terms and to advance remedies.

Mr. Robert Jackson: Does the Minister agree that one of the things that farmers can do to help themselves is to co-operate? Will he bear in mind the importance of agricultural co-operation when the Monopolies and Mergers Commission reference comes to him?

Mr. Brown: That is an important point. I hope that the hon. Gentleman will forgive me if I do not say too much specifically about Milk Marque, as it would not be proper for me to do so in the current circumstances. More generally, the hon. Gentleman's point is right. In my meetings with farmers, I have been urging them to come together collectively to make sure that the producer side can make a unified response to others in the marketplace who seem more powerful than they are, particularly the big retailers.

Mr. Cynog Dafis (Ceredigion): The Minister speaks of markets and of redressing the balance of power. During Welsh questions this afternoon, I raised a related matter. It is alleged that in abattoirs, of which a large share is owned by supermarkets, the grading of cattle is being carried out not always on the basis of objective criteria, but on the basis of the purchasing requirements of supermarkets at a particular time on a particular day, and that Meat and Livestock Commission officers doing the work of grading are obliged to participate in that. Is that not wrong? Does it not show that supermarkets are acquiring inordinate power in the abattoir system and the marketplace generally? Should not the Minister examine the matter carefully and always—

Mr. Deputy Speaker: Order. Before the Minister answers that question, I remind the House that Madam Speaker has put a limit of 10 minutes on Back-Bench speeches because this is a short debate. Interventions, especially long interventions, only take more time out of it.

Mr. Brown: I am not sure that hon. Members are not taking their 10 minutes out of my time as I slowly work my way round the Chamber. I shall make sure that the hon. Gentleman gets a full written response to his question, as I want to consult officials. On supermarket criteria generally, he is right. The supermarkets do lay down exacting standards, which they expect to be met. If he is suggesting that that is being done improperly, I do not believe that to be so, but I will check with officials and if it is so, it will be prevented. I want the marketplace to operate in a fair and transparent way. I shall take two more interventions, then I must make progress.

Mr. John Hayes (South Holland and The Deepings): I am grateful to the right hon. Gentleman for giving way so generously. He has mentioned the marketplace four times in one sentence, rather as if he were a cross between Hayek and Milton Friedman. Does he understand that the marketplace in agriculture is imperfect? Our farmers want the right to compete on a level playing field, and there is no use his telling them to compete in a free market if no one else works to the same rules. They want the right sort of Government support so that they can compete effectively against foreign farmers.

Mr. Brown: I am afraid that the hon. Gentleman is preaching to the converted. As I have said already, the marketplace in agriculture is particularly distorted because of both the peculiar common agricultural policy regime and the actions that national Governments must take to fit that regime to current circumstances. Sometimes, those actions make matters worse rather than better. I follow the strand of the hon. Gentleman's thought, and I can assure him that I will do all I can to get sensible reform of the CAP. I hope that the World Trade Organisation round will bring further progress, and that enlargement of the European Union as we embrace the countries of the east will provide another liberalising element. In any event, world trade is liberalising, and there is no good reason why agriculture should be left out. I give way at last to the hon. Member for Billericay (Mrs. Gorman).

Mrs. Teresa Gorman (Billericay): I am grateful to the right hon. Gentleman for saving the best until last. He has talked about bank managers and farmers' financial problems. He has also commented on the basic causes of those problems. What would he say to my pig and poultry farmers who tell me that the value of the pound means that their products are less competitive than imported products, which are more attractive to shopkeepers? The cost of their overdrafts is also dictated by the Government's financial policies. What would the right hon. Gentleman urge the Chancellor to do about that?

Mr. Brown: I would not urge him to devalue the currency artificially, any more than I would urge him artificially to overvalue it. It is odd that the debate is being conducted this way round with Labour Members defending market assessments of the currency's value while Conservatives urge that we both disregard the fact that currency is a store of value and devalue it so that it can have a particular impact on one sector of the economy. I have acknowledged that the terms of trade have not helped agriculture in recent times, but those terms fluctuate, and that is at least part of the cause of the economic cycle in the industry. I cannot extrapolate from

[Mr. Brown]

a specific problem a general policy on exchange rates. That would not be sensible, and the previous Government did not do it either.

Mr. Ben Bradshaw (Exeter): Does my right hon. Friend find it puzzling that while farmers representatives in the National Farmers Union and the Country Landowners Association share the Government's policy of joining the euro as soon as it is in our economic interests to do so, the Conservative party, which claims to be the farmer's friend, has ruled out joining for 10 years?

Mr. Brown: I do not find that puzzling. Some hon. Members may not know that in 1990 the current Leader of the Opposition also shared our policy. It seems that those who have brought their minds to bear on the matter see some merits in our policy.

Having taken a fair tranche of interventions, I shall return to my prepared response to the motion. I am willing to respond, but, before doing so, I was willing to listen, not just to my professional advisers and to farmers' representatives, with whom it is proper that I discuss these matters. I made an enormous effort to meet farmers themselves, and to ask them what they think the Government should do. They, of course, have told me. My approach to the current situation will be based on the representations made to me by farmers themselves.

Strategically I have three tasks: responding to the present situation; engaging farmers in the Agenda 2000 CAP reform package; and carrying the whole sector—farmers, retailers and middlemen alike—together through the changes and restructuring currently taking place, including the challenges presented by a new round of negotiations in the WTO and by EU enlargement, to move us into the more liberal agricultural markets of the next millennium.

Let me say something more about the present situation. The Government have already taken a series of steps to help UK agriculture. My predecessor paid £85 million in agrimonetary compensation to UK suckler cow and sheep producers early in 1998. He ensured that the Government met the costs in 1998-99 of Meat Hygiene Service enforcement of controls on specified risk material from cattle and sheep, which had a value to the industry of £35 million. He ensured that the Government met the start-up and first year running costs of the new cattle tracing system, which had a value to the industry—beef and dairy producers alike—of a further £35 million. Traceability is here to stay. It is fundamental to the operation of a modern industry and the Government cannot and will not go back from it.

Mr. Tyler: Is not it a little perverse to suggest that those sums were in some way to the benefit of the industry when they were in fact compensation for the incompetence of the previous Government? Those were not hand outs to the industry, but compensation for the damage done to it. Will the Minister comment on the information being put before the Phillips inquiry into BSE by civil servants and former civil servants? That makes it quite clear that former Ministers connived with deception as to what should and should not be put into the public domain, and that they were extremely complacent about the consequences of doing so. Will the Minister ensure that the inquiry hears evidence—

Sir Patrick Cormack (South Staffordshire): On a point of order, Mr. Deputy Speaker. Is it in order for the hon. Gentleman to anticipate a public inquiry that has not yet reached any conclusion?

Mr. Deputy Speaker: I think that the hon. Gentleman was referring to evidence that might be before the inquiry rather than anything else.

Mr. Brown: The inquiry will report to me and to the Secretary of State for Health. I do not want to say anything to jeopardise it or pre-empt it.

On the narrower point made by the hon. Member for North Cornwall (Mr. Tyler) about industry charges, I am not sure that I agree. The charges were necessary for the industry. Traceability is certainly necessary if the industry is to operate in a modern environment. Our major trading partners, including those whose markets we are trying to get back into, would look askance if we had no competent traceability scheme in place. I opened the British cattle traceability scheme formally at Workington last Friday, although it has been running for a few weeks. I was very impressed by how the work has been organised and by the enthusiasm of a relatively young work force who are making a go of something that is relatively new to the UK. As well as being enthusiastic about what they are doing, the work force understands its importance.

I have outlined what my predecessor did. In normal conditions, I believe that at least some of the costs that I mentioned should have been borne by the industry. However, the steps that we have taken recognise that market conditions are not normal. Since I have been Minister of Agriculture, Fisheries and Food, I have initiated the following steps to help. We have made use of a scheme for private storage aid for sheepmeat, following up the earlier scheme in March. I accept that the money does not go to farmers, but it is intended to strengthen market prices and to benefit all sheep producers. We have removed obstacles to the export of whole sheep carcases to France from the UK, with effect from 8 October, and I acknowledge the help of the hon. Member for Bosworth (Mr. Tredinnick) in his role as Chairman of the Joint Committee on Statutory Instruments.

The EU opened a private storage aid scheme for pigmeat in September 1998, and all EU producers should benefit from the firming up of prices that should result from taking meat off the market. The UK exceptionally allowed an increase in the moisture content of grain entering UK intervention, in recognition of the wet summer, and the value of that to all UK cereal producers is £0.5 million. We are acting on the EU decision that will allow early payment of £100 million in EU subsidy to beef producers.

Those measures have been welcomed by farmers and farmers' representatives, but I do not regard them as a sufficient response to the present difficulties. I am working on a range of proposals with others in the Government, and I hope soon to be in a position to be able to say more to the House. The proposals under discussion are all based on a range of ideas put to me by

farmers or their representatives. The range of ideas offered is not so very different from that offered by the hon. Member for South Suffolk.

We all understand what is under discussion. I know that there is great interest in how much I am able to deliver from one perspective or in what the announcement will be from another. I apologise but I am not able to say anything to the House tonight for reasons which I think those who have experience in these matters will recognise are perfectly good reasons. As the more experienced among us will know, if an early answer is wanted it is no.

Mr. James Gray (North Wiltshire): Does the Minister accept that farmers are in such a complete state of crisis and suicidal depression over these matters that even though the right hon. Gentleman cannot yet announce what his package will be, some indication of when he will make the announcement would in itself be helpful for the morale of farmers across Britain? Will he make his announcement before Christmas, for example?

Mr. Brown: I am making progress, which should be of some comfort to the hon. Gentleman. I hope to be able to make an announcement within weeks and preferably within days. Further than that I think it is unwise to go without tipping my own negotiating hand. Suffice it to say that I am taking my new responsibilities very seriously and applying some old skills.

Mr. Steen: If there is a little time before the Minister makes his statement, will he examine carefully the experience of French farmers, who have the availability of cheap borrowing and not the ordinary bank rate, which means that they can borrow money at 2 or 3 per cent? That availability to our farmers would help them tremendously over the crisis. Is the right hon. Gentleman planning to consider an alternative scheme by which farmers can borrow at a much lower rate than the bank rate? Is that on his screen?

Mr. Brown: That is an interesting philosophical point. It is rather odd that the parties are again this way round. I believe in free markets and that there should be no artificial construction for one sector to deal with an industry's specific problem. The hon. Gentleman is advocating a specific reduced rate of interest to deal with a particular sector in the marketplace. When I was elected to this place in 1983, we used to have these discussions. I used to do my best for my shipbuilding constituency. The arguments then used to be the other way round. I used to be advocating special state aids and the Conservative party used to explain that that was not the right way forward. We seem to have passed each other as we have crossed from Opposition to Government. Anyway, there we have it.

Farmers complain that there are subsidy regimes in place in other countries that are not available to them. Where these regimes are outwith the European rules it has been the time-honoured position of the Government that the Commission should address that. We have had some success in making these representations in the past. I shall have something to say on the specific point in a moment.

My principal announcements are delayed—I am certain that the reason is obvious to everyone in the House—because they cost money. Let me knock down the idea that farmers are always asking for money from the public purse. They have not done so. Not one farmer or farm representative has asked me for a commitment from public funds to bail out the industry. I have been asked for measures targeted at the present position, a sense of direction for the future, a constructive dialogue within the sector—with our European Union partners as much as within the United Kingdom—and for political leadership. All of these I intend to provide.

Mr. Christopher Gill (Ludlow): I am pleased to hear what the Minister has just said about the representations that he has received from farmers. There are many of us who believe that subsidies are not the answer for any industry. It is a fact of life that agriculture is subsidised in this country and on the continent, but will the right hon. Gentleman take on board as a matter of principle that the Government can make absolutely sure that it does not add to the overhead burden—the cost to the industry—by Government measures? That would be helpful to the industry and something entirely within the gift of the Government.

Mr. Brown: I am sympathetic to the hon. Gentleman's representations. I acknowledge to the House the specific efforts that the hon. Gentleman has made for the pig farmers who he represents. I am sympathetic to the pig sector because it does not receive large payments from the public purse, even in the current difficulties. I freely acknowledge that the pig sector is in crisis because it asked for a state handout to bail it out. It has made points along the lines of the hon. Gentleman's intervention. I shall have something to say about that when I get to the pig sector in my statement.

Mr. John Home Robertson (East Lothian): To take up some of the previous interventions, perhaps I should say thank you for a substantial arable area payment cheque that I received recently, along with many other farmers. These cheques have helped to keep people employed. Following the intervention from Ludlow, I urge my right hon. Friend to understand that the sort of regulation that guarantees the safety of food is imperative to safeguard the interests of consumers and those of farmers. I hope sincerely that my right hon. Friend will be able to make progress on that, perhaps in the Queen's speech.

Mr. Brown: Yes. I shall have something of substance to say about the Food Standards Agency and how the Government intend to make progress with the proposal immediately after the Queen's speech. Of course I cannot anticipate the Queen's speech.

On the broader question of food standards and whether we should somehow make a concession that would perhaps have an impact on the public's perception of the public health debate, the answer is no. However, there are some technical aspects that the industry has asked me to consider, which I am looking at. Of course, the public's safety must come first and I must be alert to questions of cross-contamination as well as to issues concerning the specific operations of the industry.

I refer specifically to the beef sector. As we all know, one of the most important things that I could do would be to lift the export ban in Europe. The motion deplores the fact that I have not done so. The House will want to know

[Mr. Brown]

that today, in the Standing Veterinary Committee, a Commission proposal that would allow the United Kingdom's date-based export scheme to go ahead received a favourable response from a simple majority of the EU member states. If this vote is repeated in the Agriculture Council on Monday and Tuesday, 23 and 24 November, the way will be open for British beef from cattle born after 1 August 1996 to re-enter European and world markets.

I hope that that is welcome on both sides of the House—*[Interruption.]* I am grateful to the Opposition for acknowledging that this is important to our country. The Opposition spokesman, the hon. Member for South Suffolk, is right to point out that this is for deboned beef. The scheme does not allow for the export of live calves. It does not allow for the export of beef on the bone, but it is an important start. It will enable the British industry to work to get back into markets that we have lost. We shall have to make a substantial effort to get back into those markets, the more so because of the surplus of beef in the EU at present. It is not an easy time to re-enter markets.

Mr. Owen Paterson (North Shropshire): Today, I talked to a major exporter of Scottish beef in Inverurie, who had a very substantial export business to Italy, Holland and France. Almost all that beef was on the bone for sale to high-quality restaurants and distributors. They bought it specifically because it was on the bone. They do not want to buy deboned beef. What efforts will the right hon. Gentleman make either to lift the beef-on-the-bone ban here or to ensure that exports of beef on the bone will be allowed shortly after the ban is lifted?

Mr. Brown: Of course this is not the end. I intend to continue to get British deboned beef into other world markets from which it is currently excluded. I intend to make steady progress in getting beef on the bone, when it is safe to do so in response to scientific advice, back into world markets. It is not as though this is one announcement after which the Government will call it all dealt with. I want to make steady progress so that British food products—livestock products—from every sector are back where they should be in world markets. Further, I want British products to be acknowledged for what they should be, which is among the safest products in the world. I want our country's name to be synonymous with excellence. I do not want consumers to be afraid to buy British because they are not certain of the quality or, indeed, the safety of the product. That is my ambition and I shall make remorseless progress towards achieving it. The announcement that I have made is important, but it is by no means the end.

Mr. Michael Colvin (Romsey): Following on from what he has just said, will the Minister also ensure that, when the British housewife goes to the supermarket or other retail outlet to buy a British product, she can tell whether she really is buying British? Within his current proposals, what can the Minister do to promote British beef and the buying of it, and to overcome some of the current difficulties with labelling?

Mr. Brown: When the British consumer goes to the supermarket, I hope that she—or he—will buy British, not because the retailer has stuck a Union Jack on the product, but because he or she wants to buy the product because of its quality and the safety and farm welfare standards pertaining to the rearing of livestock in the United Kingdom.

How will consumers know what they are buying? They will have to be told, which is why I am discussing with retailers a UK-specific scheme that will enable consumers to make an informed choice. That suggestion was made by Opposition Members, by Labour Members and by the industry. It is right that I, as the Minister, accept my responsibilities for getting the producer and retail sides of the industry together to discuss proposals of that sort. I think that the House will welcome the comments that I shall make later about my meeting yesterday with the British Retail Consortium.

Mrs. Ann Winterton (Congleton): Bearing in mind the success of campaigns to persuade people—although they need little persuasion—of the excellence of British beef, pork and lamb and to ensure that consumers are able to recognise such products in supermarkets by their labelling, will the Minister also tackle the catering industry? That industry uses a great deal of meat from a variety of sources, but when people go out to eat, they do not necessarily know that what they are eating is the best of British.

Mr. Brown: Together with my hon. Friend the Minister of State, I am taking a hard look at the catering industry. One third of all livestock products go through catering rather than home retailing, so it is right to pay attention to the catering industry. Clearly, a labelling scheme would not work in quite the same way, but there are other methods of ensuring that customers are informed about the origins of the product that they are eating. We are giving careful thought to the matter. I share the objective of the hon. Member for Congleton (Mrs. Winterton): I, too, believe in informed consumer choice and a free marketplace.

The position that we are now in regarding the export ban has not been easily achieved. We are making progress because our case is founded on science and on the technical implementation of the date-based export scheme, which is itself based on the agreement reached by European Heads of Government in Florence. I have to persuade other Farm Ministers that there is a case for lifting the ban. We have to explain our position to the technical specialists in other countries and to Commission officials. It is also important that I explain the British Government's position to individual Commissioners and to Members of the European Parliament. I pay tribute to the officials from my Department and from the Foreign and Commonwealth Office who have worked so hard to present Britain's case. We are getting there, and we are doing so because we are constructively engaged with the institutions of the European Union.

Before they are so free with their condemnation, may I gently invite the Opposition to reflect on three points: why we have a beef ban in the first place; which party was in power when it was imposed; and, if the lifting of the beef ban is such an easy thing to achieve, why the previous Government did not achieve it? I invite Conservative Members to think back to their "beef war" against Europe, to consider whether it successfully advanced our national interests and to consider whether the approach adopted

by the present Government is more likely to succeed in advancing the interests of British agriculture. I shall not press the point any harder than that, but everyone—especially objective observers—will be able to draw his or her own conclusions.

Mr. Gill: We do not need time to think about it. The fact is that, at the time of the general election, the Labour party said, "Give us control and we shall solve all these problems at the stroke of a pen," but that has not happened. I am sure that the Labour party has learnt a great deal during the past 18 months, not least that ending the beef ban is not just a matter of going to Brussels on a charm offensive.

The Minister is up against the same problems that faced the Conservative Government in negotiating the end of the beef ban and it has taken him a long time to achieve what he has so far achieved. The question to which we and the industry want to know the answer is, why on earth have the Labour Government not ended the ban already, given the promises that they made 18 months ago?

Mr. Brown: Give us another fortnight, at least. The fact is that the British electorate listened carefully to what the Labour party had to say during the last election and decided to give us a chance to do a range of things, including lifting the beef ban. The truth is that we are making some progress. If ending the ban was so easy, the previous Government should have done it. Instead, their war with our partners in the European Union persuaded all 14 of them to gang up against the UK and, when the Conservatives asked the electorate what they thought of that, the electorate responded. My hon. Friends and I are the beneficiaries of that response, as are the Liberal Democrats.

Mr. Tyler: As a totally objective observer, may I say that we Liberal Democrats warmly welcome the Government's approach in this respect? It is clearly far more constructive and it is delivering results; however, there is a long way to go. We should not raise great hopes of opening the market door to Europe, because the prices there are so low that that will not be of great help to us. The prices in the rest of the world, where we held some extremely valuable markets, are as important. As the door starts to open and the ban is removed, will the Minister and his officials consider seriously those third-country markets?

Mr. Brown: I hope that I made it plain that I want British foodstuffs back on world markets and want there to be no health impediment to British agriculture products and those products to be regarded as excellent on world markets. That is my ambition for this country and I intend to make remorseless progress towards achieving that.

Mr. Paterson: Will the Minister give way?

Mr. Brown: Once more, then, in fairness to other hon. Members, I must draw my remarks to a conclusion and allow others to speak.

Mr. Paterson: I am grateful to the Minister for giving way a second time. If he does not get satisfaction from our European partners with the techniques that he is using, will he take the case of Britain's beef farmers to the European Court?

Mr. Brown: I am content to continue to conduct negotiations in the way that I am currently conducting them and I believe that my approach will be justified by the outcome. I have carefully considered the opposite approach, which is to threaten people. I believe that, at one stage, the previous Conservative Government started to use the mechanisms of the European Court and got thrown out, so I am not overwhelmingly attracted to the approach adopted by the previous Government. I am willing to learn, and what I have learnt is not to do it their way, but to make steady progress using my own approach.

Let me try to draw this consensus together. I welcome the part of the Conservative party's motion that

"applauds the achievements of British farmers",

and add my applause. I regard it as wholly unnecessary and destructive to try to set one sector of the economy against another, or to isolate rural Britain from the rest of the country. We are one country and it is not necessary to set up artificial divisions. I, too, want there to be "a thriving rural economy" and "a viable agricultural industry". I agree that British farmers should compete in an open market "on equal terms" with others.

That brings me to the Opposition's fair deal for farmers. One of its key points is to take a stand against unfair competition. I hope that the Opposition and the whole House will welcome the agreement that I reached yesterday with the British Retail Consortium that supermarkets will not sell imported meat processed in the UK under a British label. A major source of grievance for livestock sectors, particularly the pig industry, has been that meats can be imported, packaged and described as British. The major retailers have assured me that they will not do that. They have assured me also that, from 1 January 1999, all pigmeat sold in their outlets will be from animals raised to high welfare standards, with no stalls and tethers and no meat and bonemeal feedstuffs. Those who follow these matters know what I am describing. That will help to achieve the recognition that I want for the high welfare standards that British producers apply.

I want the European Commission to investigate in full today's press reports of new state aids elsewhere in the EU and to take the appropriate action if those prove to be contrary to EU law.

I am asked to cut the burden of regulation. I tell the House bluntly that I am not willing to compromise on food safety: food safety comes first, and it is in the interests of British producers that it does. I am willing to discuss with the farming industry the information that we collect from farmers and the form in which we request it and to consider whether there is a better way of doing so. The Government have, of course, considered those issues before. I intend to have the whole issue re-examined by specialist advisers. However, regulations are there for a purpose, and undermining public confidence in the regulatory regime by seeking short-term gain is not the right way forward for the industry.

On public purchasing policy, I am pleased with the outcome of my meeting yesterday with the British Retail Consortium and the outcome of the negotiations that we have been having with the Ministry of Defence.

[Mr. Brown]

We can be proud of animal welfare standards in this country. British consumers should be able to identify meat products that have been reared to the highest British animal welfare standards.

Allegations are often made that the supermarkets are taking advantage of low producer prices, but not passing them on to the consumer or, indeed, the farmer. The Office of Fair Trading is rigorously examining supermarket pricing. In the meantime, I am working to draw the whole food chain into co-operative working arrangements. The key point is that each part of the industry needs the others. The debate should not be characterised by villains and victims.

Mr. Nicholas Winterton (Macclesfield): The Minister is making an excellent speech, which has defused the situation and will be welcomed by the farming industry. However, I am sure that he is aware that, last month, the National Westminster bank published a report revealing that, if the current crisis continues, 25,000 farmers—15 per cent. of the total—will be driven out of agriculture. That is a serious prospect. Who will maintain the land? Does the Minister believe that his announcements today will do anything to stop the haemorrhaging from the land of those who produce our food?

Mr. Brown: I accept that the situation is serious, which is why I am trying to flag up the need for a further announcement, which I will make soon. The purpose of today's announcement is not to lift the whole burden of the present difficulties from the industry's shoulders. I cannot do that; no one in my position could. I can intervene proportionately so that the industry can survive the present difficulties. I acknowledge that there is a crisis in the pig industry. I cannot arrange for everyone to survive. I can work constructively with all the parties and point to alternative ways forward. I can encourage, explain and provide support, but I cannot stand against the broad tide of events, and it would not be sensible to do so.

The industry is experiencing a period of change and restructuring. I do not want the present difficulties to accelerate that process so that we are not the masters of our own destiny. I am determined that British agriculture not only survives but has a good, sustainable future. The shape of that future is the subject of a different debate, and I cannot say that in 10 years absolutely everything will be as it is now. All I can do is set the parameters for the marketplace and let people make their own judgments. I can also ensure that change is driven not by short-term difficult circumstances but by the long-term passage of events, including the liberalisation of markets.

The Opposition motion criticises the Government's approach to the countryside. Agriculture is only one part of the rural community, but it remains crucial and the whole appearance of the countryside is dependent on it. The Government recognise the special needs of those who live and work in rural areas. We have provided an extra £50 million for rural transport, new rate relief for village shops, extra protection for rural schools and financial support for remote dispensing pharmacists. That sits alongside our commitment to viable United Kingdom agriculture.

Under the previous Government, the Rural Development Commission recorded the following facts: 83 per cent. of rural parishes were without a general practitioner; 73 per cent. had no daily bus service; 49 per cent. were without a school; 43 per cent. were without a post office; and 42 per cent. did not have a permanent shop.

The Opposition urge me to extend the calf processing aid scheme.

Mr. Yeo: If the Minister is concerned about the deprivation described by the Rural Development Commission, will he tell us whether he has asked the Deputy Prime Minister to reverse last year's cut in the revenue support grant—the cash given to councils in rural areas?

Mr. Brown: The hon. Gentleman will remember from his time in office that government is seamless, and he should address his question to the appropriate Minister, but I shall pass on his comments to my right hon. Friend the Deputy Prime Minister and urge him to treat them appropriately.

I turn now to a policy for which I am responsible—the calf processing aid scheme, which is scheduled to end at the end of the month. The scheme distorts the calf market, forcing prices up at a time when beef finishers' margins are low. Its continuation could result in a shortage of home-produced beef on the UK market in the medium term. After 30 November, most EU member states will be making no contribution to the reduction of EU beef surpluses. However, farmers—mainly dairy farmers—have pressed for the continuation of the scheme until we have more normal market conditions. I am carefully considering that request, but the animal welfare lobby and the abattoir operators—I acknowledge that they make an unlikely combination—have welcomed the decision to close the scheme.

It is not fair to suggest, as the Opposition motion does, that the Government are not committed to farming in the hills. More than £600 million has been distributed to hill farmers this year alone. The Government have always provided support for hill farmers. I intend to do so, as well as considering what further help we may offer. In the short term, I shall do what I can. I intend also to ensure that hill areas receive continuing support as part of the Agenda 2000 package and beyond.

The autumn review is well under way. It is important to remember that hill support is a structured measure, not a measure to top up shortfalls in income. The Opposition motion is misleading on hill support. It refers to returning hill livestock compensatory allowances to 1993 levels. The Conservative Government dramatically cut them in 1994. The severely disadvantaged area payment for cows was £63.31 in 1993, and the Conservatives reduced it to £47.50 in 1994.

Let me correct another misunderstanding. It was said at our last parliamentary Question Time, or perhaps in the Liberal Democrat Opposition day debate, that an additional amount was paid in 1997. That is true, but it was a supplement, from a separate one-off European Union scheme, counteracting the market effects of BSE. It was available throughout the European Union.

The motion urges me to take up agrimonetary compensation. I make it clear to absolutely everyone that aid is not just there for the taking. The agricultural

monetary structures are permissive. Operation of the United Kingdom's budget abatement means that the UK Exchequer bears about 71 per cent. of the cost of EU-refunded aid. If anyone thinks that those arrangements are unfair, I remind them that the arrangements are a direct result of the Fontainebleau agreement, negotiated by the Conservative Government.

The possibility of agrimonetary compensation for United Kingdom farmers was first approved by the European Union Agriculture Ministers in March 1997. Whatever the Opposition say now, the Conservative Government made no commitment at the time to pay such compensation. The only tranche that has ever been paid was paid by my predecessor.

I have the matter under consideration. The hon. Member for South Suffolk is right to ask me about that point. I am considering it, but, as he knows, I have to discuss with others in the Government.

Mr. James Paice (South-East Cambridgeshire): Will the right hon. Gentleman give way?

Mr. Brown: I should draw my remarks to a close, if only to let others in to the debate. Although I have been generous in giving way, it is not really fair to the House to extend my speech and thus keep other hon. Members out of the debate. However, I shall give way to the hon. Gentleman.

Mr. Paice: On the subject of the previous Government not taking up any agrimonetary compensation, does the Minister agree that not a single agricultural product for which a common agricultural policy regime exists is making anything like the price that it made under the previous Government, and that that is why it was unnecessary for the previous Government to take up that compensation?

Mr. Brown: That is not the only purpose of the agrimonetary regime, although the present Government accept that, in some circumstances, there is a case for drawing down within the permissive regime. That is why my predecessor did it, and that is why I have the matter under active consideration. My only point—a narrow political one—is that the regime was in place under the previous Government and they did not take advantage of it. There may be a range of reasons for that, but for the Opposition to urge it on us and not to have done it themselves sits them in a less happy position than they might think they find themselves in.

Mr. Gill: Will the Minister give way?

Mr. Brown: No. I have an enormous respect for the hon. Gentleman and I again acknowledge the part that he plays in these matters, but I have given way to him twice. I understand that the House wants to question me and explore matters with me, which is why I have given way as freely as I have, but, in fairness to others who want to take part in the debate, I should now draw my remarks to a close and let others in.

The part of the Opposition motion that I wish to address is the reference to

"underspends on the agriculture budget".

Believe me, if I could get my hands on an underspend and I was free to make an announcement now, I would do so. There is no pot of money waiting to be redistributed. The motion refers to annually managed expenditure and the difference between forecast expenditure and outturn as a demand-led budget.

I note that the hon. Member for South Suffolk is calling for more money to be spent under that heading, and I know that he must have cleared that with the shadow Chancellor. I must clear any money that I want to spend with the real Chancellor, and I wonder how the hon. Gentleman can square the demand that much more money be spent in the agriculture sector with the more general approach of the shadow Chancellor, which is that the Government are spending too much money already and should cut expenditure.

I hope that I have dealt with the Opposition's arguments. I have explained my approach. The Government amendment provides a more rational way forward for United Kingdom agriculture, a way that will allow a viable UK agriculture—a broader rural economy—to play its proper, dynamic role in the United Kingdom economy. I commend the amendment to the House.

Several hon. Members *rose—*

Mr. Deputy Speaker (Mr. Michael J. Martin): Before I call the next hon. Member, I remind the House that Madam Speaker has ruled that there will be a 10-minute limit on speeches.

8.34 pm

Mr. Peter Luff (Mid-Worcestershire): It is a great privilege and pleasure to follow the Minister after his ministerial debut in a debate in the House as Minister of Agriculture, Fisheries and Food. It was, by any standards, a fine speech, and we are grateful for it. Obviously, from the Minister's viewpoint, the policy of killing with kindness now applies, not just to animal welfare campaigners and abattoirs, but to the House of Commons. He has shown the House the courtesy that he showed to the Select Committee on Agriculture last week when he appeared before it, and we should all be grateful to him for that.

The Minister's analysis is entirely sound. I hope that the judgment of the agriculture community will be the same for him as it will be for me—not at all bad for a townie. We both have that in common. He has shown great understanding of the issues, but he would agree—the thrust of his speech shows that he would certainly agree—that understanding is no substitute for action. The time is coming quite fast when action will be expected of him. Today he showed some areas where welcome action has already been taken.

The Minister has identified the very strange consensus that exists, not only in the House, but outside it, throughout the agricultural community, about the long-term direction that we must take for British farming—liberalised markets and an end to production-linked subsidies. On that we can all agree.

I believe that the Minister understands that, to achieve that objective, the Government cannot simply sail into the wind—like a supertanker—toward that utopian and very desirable goal, but will have to behave rather like a

[Mr. Peter Luff]

clipper, tacking with the wind in seeking to achieve that objective. That means that there is no inconsistency in providing short-term help to farming now, to help it to arrive at that long-term goal. The Minister will have to behave rather less like the Exxon Valdez and rather more like the Cutty Sark, but I think he understands that. He has certainly proved pretty good at pouring oil on to troubled waters today.

However, there is a real recession out there—a real crisis facing agriculture. As the whole House now understands, that crisis is unique in that it now extends to every sector of farming. When *Farmers Weekly* regularly publishes the telephone number of the Samaritans, obviously something is seriously wrong. I know from farmers in my constituency, in Worcestershire, about the extent of the problems that they are facing. My hon. Friend the Member for Faversham and Mid-Kent (Mr. Rowe) sent me a letter from one of his arable farmers. It says:

"According to my costing of last year's harvest, it cost us £68 per ton to grow wheat which we are now selling at £68 per ton, last year it was selling at £85 per ton. Our peas, last year, were selling at £102 per ton, this year at £68 per ton".

Obviously, the situation is exceptionally serious. Farm prices after inflation are lower than they were in the 1970s. I hope that the decision of the Select Committee on Agriculture to launch an investigation of the problems facing the pig industry will help by highlighting some of the problems, perhaps enabling us to learn lessons for other sectors.

The Government must face up to four categories of problem in dealing with the crisis confronting British agriculture. Obviously, the first is the international dimension—the broader economic questions. Yes, there are very big international problems out there, and they have affected some sectors of farming especially acutely. The Russian crisis has imposed an especially severe problem on pig farmers. The far eastern crisis has been a particularly severe problem for chicken farmers. The problems are real.

In most farmers' minds, the overriding factor must be the strength of sterling. Although there have recently been some weakening of sterling and green pound revaluations, which are welcome, sterling is still strong.

I sincerely hope that the Minister will be able to persuade the Chancellor to draw down the agrimonetary compensation—£48 million for beef farmers, and £89 million for arable farmers. Although nothing is available for sheep farmers, I hope that the Minister will be able to get the compensation that is available, as it will provide a very important symbol of the Government's determination to help farmers.

The second category of problem comprises the self-imposed wounds that have nothing to do with broader economic issues. Although some might say that, because of the Chancellor's decisions, the strength of sterling is partly a self-imposed wound, as Committee Chairman, I must be careful not to be too partisan in my remarks. Nevertheless, there are other self-imposed wounds.

I think that the beef-on-the-bone ban was a self-imposed wound, making it more difficult for the Minister to make the progress that he has made in having the ban lifted. At one stage, it seemed as if the price of lifting the beef export ban would be a permanent, Brussels-imposed beef-on-the-bone ban. Although the Minister seems to have escaped paying that price, his task was made more difficult.

Mr. Nick Brown: I did not escape it alone, as much hard work was put in by British officials—Foreign Office officials and my Department's officials—in persuading the Commission to separate the date-based export scheme from another proposal on specified risk material that might have been included in the scheme. It is a very important point for the domestic industry, as the hon. Gentleman is right to mention.

Mr. Luff: I am happy to pay tribute to officials in the Minister's Department, who sometimes get a raw deal in contending with difficult situations. I am grateful to them.

The progress that we are making is part of a continuum. I cannot help but notice that the veterinarians who voted today against lifting the ban included some of the Government's most socialist friends in Europe—Germany, France and Spain, who all cast their votes against lifting the ban. In the constructive dialogue, perhaps the traditional friends of the Conservative party down the years, such as Denmark, have been more sympathetic to our case. Although I wonder how much the programme of constructive engagement has shifted the balance, I think that our argument is beginning to get through, which essentially demonstrates the continuum from the previous Government to the current one.

The problems of the beef industry will not be solved simply because the beef export ban is lifted. I worry that the public at large believe that ending the ban will be a cure-all. It will not be a complete cure, as huge problems will remain. I also hope that the Minister will be able to find some money to help beef farmers regain their lost export markets, both inside Europe and, as many hon. Members have often said, outside Europe—in South Africa, for example. I am delighted to hear the Minister's very strong hints—his dance of the seven veils—on the calf processing aid scheme. It seems fairly clear that there will some type of successor scheme, which will be welcome. A successor scheme will be welcomed not least on welfare grounds.

There are many "level playing field" issues that lie within the Minister's control. He mentioned Government buying policies. I cannot imagine any other European Union member state that would be quite as transparent and open as we have been. I hope that he will continue putting pressure on the Ministry of Defence. Although he has been successful on beef, more progress on lamb is necessary. I hope that he will put pressure on local education authorities, too—consistent, of course, with local decision making—to try to encourage them to take a more enlightened view.

I hope that the Minister will reconsider his Department's thoughts on imposing charges on farmers. Although I understood his comments on the safety and security of the food chain—one must respect that concern—I hope that he will not impose charges, as his Department's expenditure plans currently forecast, for use of the British cattle movement service, for example, unless he is convinced that other EU member states levy equivalent charges. We must not unnecessarily handicap our farmers.

I was encouraged by the Minister's comments on welfare standards, on which he has made some good progress. Nevertheless, battery egg producers are concerned about the implications of some Government statements. Producers are worried and are in a difficult position. The consequence of an immediate ban on battery cages would almost certainly be massive imports of American eggs that are produced in conditions that are much worse than those in the UK. We must be very careful when addressing such "level playing field" issues.

We must be particularly careful about new and unnecessary burdens, such as a pesticide tax. I am concerned about suggestions coming from one Department, to the effect that farmers randomly pour pesticides on their fields. That is nonsense. Pesticides are a very expensive input, which farmers certainly do not want to use unnecessarily. Moreover, imposing a tax will not control pesticide use but will only be another burden on British farmers.

The third issue is the problem with the food chain. I was encouraged again to hear the Minister's comments on his discussions with supermarkets. I should say that I have been unconvinced by supermarkets' claims and did not find Tesco's London Economics report particularly convincing. There is no doubt that meat sales are contributing substantially to those supermarkets' overheads.

I noted that, between August 1996 and August 1998, according to the National Farmers Union, farmers' share of retail prices for bread has declined from 18 to 13 per cent.; for pork from 57 to 33 per cent.; for milk from 42 to 34 per cent.; and for poultry from 46 to 30 per cent. Farmers are receiving less from the proceeds of lower prices, which must be a matter of great concern. I hope that the Minister will consider convening a summit of all those in the food chain—including farmers, hauliers, abattoirs, processors, manufacturers, retailers and even consumers—to discover whether the problem cannot be dealt with once and for all, as it has been a running sore for all of us.

The fourth and final category are the "mood music" issues, in which the Government seem to demonstrate a failure to understand the countryside. The Minister claimed credit for rate relief for shops. I have to inform him that the previous Government took that policy decision and passed that Act of Parliament. Credit for that rests entirely with the Conservative party. I lobbied for it intensely, spoke on the Bill, and we got the measure through. I am glad that the Government did not abandon it, but it is our policy.

Attempts to ban hunting, sabre rattling over the right to roam, penalising rural motorists, closing facilities in market towns—I have lost my benefits office, and my magistrates court and county court have been threatened; my income tax office is threatened, which some may say is a good thing, but we still appreciate the service—these are all bad measures. New house building in the countryside cannot easily be dismissed. My constituency faces a new town of 5,000 homes as a result of the Government's failure to translate their targets for brown-field land into local county structure plans. The standard spending assessment will be an important test when those decisions are announced next month.

The Minister has lent a sympathetic ear to farmers and they are grateful to him. As he did at our Select Committee last week, he has offered warm words. The time has now come when he must also lend a helping hand.

8.44 pm

Mrs. Diana Organ (Forest of Dean): On Monday evening as I was leaving my constituency to come to London I passed Westbury village hall and saw a notice that said "NFU Crisis Meeting". I know that the National Farmers Union has internal difficulties, but it was fairly obvious that the meeting was about the crisis facing farmers in the Forest of Dean. All sectors face unprecedented difficulties, as the hon. Member for Mid-Worcestershire (Mr. Luff) has just explained.

On 6 October, I met a group of local farmers who told me about farmers who were either selling up or having to get out of farming. One said that in the past five years he had made a major investment to improve his herd stores and welfare standards, but that he could not even consider carrying out the second necessary stage of investment in his milking parlour and storage. Another farmer came to my surgery on Friday. He was desperate and said that he was now on family credit and did not know how he could continue through the winter.

The shadow Minister referred to the *Farmers Weekly* article about suicides among farmers. I am concerned for farmers' well-being. Suicide rates among farmers are high and we do not want them to get worse. The businesses that face difficulties are a vital part of our rural economy as they support village shops and other local businesses. Farmers in the Forest of Dean welcome my right hon. Friend's determination and commitment to listen and talk to farmers, and I thank him for taking time out in his busy schedule next week to visit the south-west to hear more at first hand about the problem.

I welcome the Government's recognition of the seriousness of the problem and the great efforts that my right hon. Friend and his predecessor have made to lift the export ban on British beef. That is good news for farmers and the whole country. They will welcome today's decision by the European Union Standing Veterinary Committee. A simple majority was in favour of allowing the date-based export scheme to go ahead. We hope that the vote will be similar in the Agriculture Council.

In response to the grave difficulties that face the agricultural sector, will the Minister consider a short-term package of relief? That is suggested not by me but by local farmers who are under duress. It is not only for the farmers themselves, but for the wider rural economy in the Forest of Dean. Although in rural constituencies such as mine agriculture is a small part of the total economy, it underpins many other activities in the area.

The calf processing scheme is due to end on 30 November. Will the Minister look seriously at that, not only because it provides short-term assistance but because farmers have raised with me their concerns about animal welfare, should the scheme cease?

I welcome the Government's recent announcement of an additional £1 million investment to boost the countryside stewardship scheme, which delivers environmentally friendly farming. The scheme is very popular and oversubscribed. The extra funding will be

[Mrs. Diana Organ]

concentrated on the upland areas of England. My local farmers, who are from low grassland areas, want an extension for lowland areas as well.

Will my right hon. Friend look again at agrimonetary compensation, particularly for the livestock sector? We have done it once and should do it again. I recognise that there are substantial public expenditure implications, but I am sure that the British taxpayer would be prepared to take the burden of that cost to help rural communities. The £85 million that was paid to suckler cow and sheep producers in January 1998 was much needed and welcomed by farmers. I hope that the Government are examining the case for further assistance this year.

As part of the support that the Government give to agriculture, may we ask for more assistance in helping the beef sector back into European markets when the ban is lifted? It is not going to be easy to get back into those markets. Will my right hon. Friend also look at a programme of wider guidance and training, with other marketing initiatives, to help farmers to set up as a co-operative, so that they can have greater strength when they negotiate with retailers and can be price setters, not price getters?

Lastly, a much voiced grudge of local farmers in my area is the uneven burden of regulation that they face, which does not have to be borne by import producers. The standard that the Government set is understood by farmers. They know that it produces good quality, wholesome and safe products for consumers and gives us good welfare standards, but surely we must ensure fairness; supermarkets must make it clear to consumers that the goods that they buy are of an equal standard.

In the long term, the real solution is reform of the common agricultural policy and Agenda 2000, with its emphasis on an integrated rural development policy, but at present we face a real crisis in the Forest of Dean and throughout the country. The crisis is being dealt with by the Government because they will not treat farming communities of the 1990s in the despicable way in which the previous Government treated mining and shipbuilding communities of the 1980s.

This Government are concerned about urban and rural communities. They are concerned about farmers—primary producers—as well as high-tech businesses. I thank the Minister for his support and efforts so far for the farmers of the Forest of Dean.

8.51 pm

Mr. Charles Kennedy (Ross, Skye and Inverness, West): In contributing briefly to this Conservative-moved debate, may I also welcome and congratulate the Minister of Agriculture, Fisheries and Food on his debut full-speech performance, as it were. As we know, over the past few months, with characteristic patience, he has taken time to do a lot of listening. Tonight, we got an extended chance to listen to him. Hon. Members on both sides of the House could find much positive encouragement both in his approach and in his general political attitude to his ministerial responsibilities.

When I come back with one or two points later, perhaps the Minister will accept that I do so not simply for the sake of being critical in the parliamentary party political sense, but to try to be constructive, as he is still considering and arguing for a package of relief.

It was perhaps a bit of bad luck for the Conservatives that, on the day the motion came up, we had such a significant breakthrough at Brussels. They share the pleasure in that, but they would scarcely be politically human if they did not think that it was just a bit inconvenient. If it had happened tomorrow, they could have claimed that it was their motion that had put things over the edge from the Government's point of view, but there we are; no such luck.

However, it is important that all parties express their pleasure at the degree of progress that was achieved today. Without any shadow of doubt, it is a significant breakthrough; for once, the Government were giving a slightly underspun line in today's news bulletins. It marks an important step forward. Let us hope that, in due course, it leads to both the loosening and, ultimately, the complete lifting of the ban.

We are dealing with a Conservative motion. We had the chance to move ours only 10 days ago, so our amendment to the motion is just a complete restatement of what we were saying 10 days ago—unlike the Conservatives these days, our policy can remain consistent for 10 days. I notice that, in the earlier debate this afternoon, we got at least three different Conservative policies on some of the issues.

There is a difficulty in this debate. Clearly, in moving the motion, the Conservatives, after such a long continuous period in office, want the rest of us to suffer from collective amnesia. At the same time, they are having to fight old political battles themselves: battles which ended in such decisive defeat 18 months ago and will again end in decisive defeat if they go to the vote in the Division Lobby tonight.

It is breathtaking, given the importance of Europe to UK agriculture, that unlike the other two motions, that tabled by the Conservatives—who have considerable difficulties on the issues—does not mention the common agricultural policy, its reform and Agenda 2000. We cannot have a realistic debate about the future of British agriculture without referring to the common agricultural policy, its reform and the implications of that reform for domestic agriculture.

Given that there will be a move away from production subsidy towards rural development, with further diversification, conservation and environmental aspects being built in to countryside support as a whole, particularly farming support, it is vital that any British Government trying to help to shape the direction of policy should bring some credibility to the European negotiating table.

No Government can have that credibility unless they are committed to the European project and have something positive to say about its most important aspect, which is the single European currency, as the farming industry well understands. It is essential that we should make it clear in the signals that we send to Brussels and to the Commission, where the long-term decisions will be taken, that two UK political parties have that conviction of the long-term efficacy of the single market and the single currency—although we would like the Government to go further and faster than they are—and that one party is way out of step. It is little wonder that there is no

reference to matters European in the Conservative motion, because the Conservatives have lost all internal conviction and all external credibility on those matters.

Mr. Paterson: Will the hon. Gentleman give way?

Mr. Kennedy: No, I will not.

Mr. Patrick Nicholls (Teignbridge): This is silly.

Mr. Kennedy: We are debating a Conservative motion and it is right to look at the position of the Conservative party on the countryside and agriculture. I find it unbelievable that the Conservatives get so upset about the slightest scrutiny of their policies. That speaks volumes about the mess that they are in. If they want to come to the Floor of the House with proposals, they should expect them to be scrutinised. That is what we are doing.

Mr. Paterson *rose—*

Mr. Hayes *rose—*

Mr. Deputy Speaker: Order. The hon. Gentleman has said that he is not giving way.

Mr. Kennedy: Thank you, Mr. Deputy Speaker.

I should like to make some suggestions about where the Government should go from here on the domestic matters that are within their control. First, there is the hill livestock compensatory allowance, which is under review. There has been a breathtaking call for a restoration to the levels paid shortly before they were cut by the previous Government. It was clear from last week's debate, when senior Labour Back-Bench voices were raised on the matter, that there is an all-party consensus on the issue. The Minister would do well to heed that fact, politically in the House and practically outside. There has been a disastrous collapse in incomes not just in the hill areas but in the lowlands. I hope that the Minister will respond positively and use the rapid administrative and financial injection that the HLCAs can provide.

Secondly, it is important that the Minister should do everything possible within the European rules to encourage beef marketing and promotion abroad. It is clear from the experience of Northern Ireland that it will be a slow process, even from the date when the ban is eventually gone completely. Although the Minister is correct to say that farmers must work together and co-operate, equally, he must give a co-operative boost to their efforts. If they deliver their side of the bargain, the Government should deliver theirs.

What the Minister said about his discussions yesterday with the British Retail Consortium was extremely encouraging. Product labelling and the behaviour of supermarkets must obviously be kept under the closest scrutiny. It is important that we do not let up on the supermarkets—not least while the jury is out on that all-important Office of Fair Trading report.

I do not want to break the 10-minute rule, so I shall leave the Minister with two specific recommendations. He spoke about bureaucracy and red tape, saying that he would not in any way surrender standards—and we agree. There is much bureaucracy and red tape in agriculture. Farmers all too often tell their Member of Parliament that they have faithfully tried to fill out the form but have not done so correctly. They are not trying to be corrupt or to abuse the system. They have often been given misleading or inaccurate advice locally over the telephone.

In too many such instances, the case cannot be referred to the ombudsman because it is not one of malpractice. Will the Minister consider the practice adopted for the Child Support Agency? As a result of the huge problems that have accumulated with the agency, about which we all, as constituency Members, know, a degree of independent trouble-shooting has been built into the system for cases not of political maladministration but, as common sense suggests, of clear individual injustice. The Government could do much to try to advance the matter in agriculture.

I refer the Minister to the days of the Lib-Lab pact, all those years ago. One of the concessions that the Liberals were able to influence the Labour Administration to make during a bad time for agricultural income was the introduction of a period of roll-over tax relief. I know that my hon. Friend the Member for Torridge and West Devon (Mr. Burnett) has been in correspondence with the Minister about the matter. Given the horrendous difficulties, will the Minister contact his old chum at the Treasury to see whether it might be responsive to the idea of roll-over tax relief—for, perhaps, three or five years—for UK agriculture? For many who are presently badly hit, such a device could even out the problems of their present trough, and, hopefully, maintain viability for the future. I see that the Chief Secretary to the Treasury is present; he will have heard that point.

I hope that the Minister and his Cabinet colleagues will accept our approach in the constructive spirit in which it is offered. I hope that we can continue to put so much of the past behind us, get through this undoubted crisis and begin in a more united and sensible way to build a better profile for British farming.

9.2 pm

Mr. Martyn Jones (Clwyd, South): I represent many farmers who are in dire trouble. It is no coincidence that the first demonstrations against the import of Irish beef were in north Wales. I am very pleased, however, that that line of action is no longer the policy of the National Farmers Union and the Farmers Union of Wales—I do not suppose that it was actual policy—and that, with some good effect, farmers are trying to put their case through proper democratic procedures. I have had many meetings with farmers in my constituency, at which they have explained their difficulties.

One reason why farmers resorted to demonstration was that they were, to a certain extent, misled by the idea that there is a huge pool of agrimonetary compensation waiting to be dipped into. As has been made clear, certainly in debates in the House, the compensation is in tranches. The previous Minister for Agriculture, my right hon. Friend the Member for Copeland (Dr. Cunningham), gave as much as he could to the beef sector. I stand to be corrected, but I think that he gave 95 per cent. of available compensation to the beef sector, and 75 per cent. to the sheep sector.

We have heard the usual rubbish from the Opposition—although it is gratifying to hear about their conversion to state intervention in industry. I have not heard much about

[Mr. Martyn Jones]

that from them in steel and coal debates, but things move on. We have not heard many apologies from them for the BSE problem, either.

I do not think that anyone in the debate so far has mentioned the fact that the price of milk has fallen drastically, partly because of the winding up of the Milk Marketing Board. Had it still been in existence, I do not think that there would have been such a problem.

We have not heard much about the strength of the pound, either, because it is now weaker than it was when we took power in May 1997. Milk, beef and lamb prices have been steadily dropping over the past two years; the graph is clear, and something has to be done.

The Welsh Affairs Select Committee looked into the crisis in the livestock industry. It took a slightly different tack from that taken by the Agriculture Select Committee, in that one of our evidence sessions, with the farming unions, suggested that there was a problem with supermarket pricing. It is strange, to say the least, that the price that the consumer pays in the supermarket does not seem to be dropping commensurately with prices in the cattle market.

All kinds of factors have to be taken into account, but from the evidence from the supermarkets, the meat processors and the catering sector, it was difficult to find out precisely what was happening with prices. We therefore recommended that the Office of Fair Trading investigate supermarket pricing, and I am delighted to say that it is doing so.

Mr. Richard Livsey (Brecon and Radnorshire): As Chairman of the Welsh Affairs Select Committee, will the hon. Gentleman, like the rest of us on the Committee, urge the Government to ask the OFT to produce its report as soon as possible?

Mr. Jones: I agree with the hon. Gentleman that that is essential. It is interesting to note that the supermarkets are now attempting to help. It might be churlish to suggest that they might not have helped if the Office of Fair Trading had not been breathing down their necks. However, I am a little cynical, and I suspect that that is a possible reason.

Another factor on which the Select Committee focused was immediate help. We are finding a consensus in the Chamber that some immediate help is needed. I believe that it should be targeted, and hill livestock compensatory allowances are a good way of reaching those who are most affected. That is the nature of the game. We need to help those people, because there is not a bottomless pit of money.

I wish my right hon. Friend the Minister well in his meeting with the Agriculture Ministers, and I hope that we achieve success there.

9.7 pm

Mr. Nicholas Winterton (Macclesfield): I am sorry that the Minister of Agriculture has left his place, because I wanted to tell him that I found his speech reassuring. He has, however, given some hostages to fortune, and I hope that those are not called upon, because I hope that his speech has given some encouragement to the beleaguered farming industry.

To the Minister of State, who has remained on the Treasury Bench, I have to say that, in all my years in the House, I have never known a time when farming faced such severe challenges. Not only in Macclesfield but throughout the United Kingdom, as we have heard tonight, agriculture is in crisis.

The Minister admitted that, and he also said that the distinctive feature of the present difficulties is that virtually every branch of agriculture is affected at the same time. The public are aware of the problems in the beef industry, but on other fronts there is little consolation for our hard-pressed farmers. Cereal prices are down, pig producers are making losses, and dairy farmers are being driven out of business.

The hon. Member for Clwyd, South (Mr. Jones) was, I think, the first speaker in the debate to mention the reduction in the milk price. We have talked about the problems of hill farmers, and to my mind those are so severe that the very fabric of our cherished countryside is at risk.

According to a National Farmers Union survey, next year the average income on hill farms will fall below £8,000, compared with £12,000 last year. I do not need to tell hon. Members what that will mean to families on small farms across the land. The prospect is indeed dire.

A report from Deloitte and Touche in October predicted a 48 per cent. drop in farm incomes in the current financial year. Last year, United Kingdom farmers' incomes dropped by 56 per cent. That is a huge drop, whatever it is compared with. I am deeply worried. My instinct is to favour the small to medium-sized farm. Big is certainly not beautiful in my view, and it is therefore those farms to which support should be directed.

On top of that grim short-term outlook, there is uncertainty over the reform of the common agricultural policy with Agenda 2000; environmental pressures are growing; there is increasingly monopolistic buying power in the hands of the supermarkets, to which virtually every speaker so far has rightly referred; and there has been an explosion of public interest in food production and how that should be regulated. The latter matter could impose further financial burdens on farmers as well.

I do not suggest that all those difficulties have been caused by Governments—some have not—but what is certain is that the present Government appear to have shown a cavalier disregard for the concern of farmers, and a lack of understanding of their problems and the fears of the wider rural community. I say to the Minister that I hope that some of those fears, and what people perceive as that cavalier disregard, may now die away because of the sensitive way in which the Minister of Agriculture has tonight addressed the serious problems facing agriculture.

As the hon. Member for Clwyd, South said, 10 months ago, the traditional image of farming was shattered, when, a couple of weeks before Christmas, a group of north Wales farmers decided to take matters into their own hands and blockaded the port of Holyhead, throwing a consignment of Irish beef burgers into the sea. Such direct action was caused by frustration; the message was, "Enough is enough."

The United Kingdom beef industry has done everything that has been asked of it, and the United Kingdom has, I believe, met all the requirements of the Florence agreement. It is time for politicians across Europe to

recognise that, and the efforts that have been made, and to lift the ban on beef exports, including—dare I say?—beef on the bone.

Let me make it clear: devastation was brought upon our beef industry not as a result of the previous Government, and not even as a result of the 18 months that this Government have been in power; it was entirely down to Euro-politics. It has paid our competitors in the European Union to have British beef banned, and the longer it is banned the better, for many of them.

Once highly profitable markets for our beef in European countries have been exploited by other nations. Those markets have now been lost to the United Kingdom, I believe for ever. Political interference by member state Governments to satisfy their own agendas must not be allowed to delay a decision for the complete lifting of the beef ban.

The hills and uplands play an important role in United Kingdom beef production, because almost 70 per cent. of the beef herd is in less-favoured areas. Hill livestock compensatory allowances are designed, as the Minister knows, to ensure the continuation of livestock farming in those areas, which is absolutely essential if they are to continue to be productive and to be farmed. What would happen to them if they were not farmed?

At this year's review of HLCAs, it is essential that full account be taken of the critical incomes situation. If the European Commission maintains its objection to the use of HLCAs to offset adverse income trends, the Government—as one of their supporters, the hon. Member for Forest of Dean (Mrs. Organ) has urged the Minister—should again use agrimonetary compensation to assist the less-favoured areas and the lowland beef areas.

As the Minister knows, the continuing strength of sterling is having a major impact on the beef sector. If the exchange rate of the pound against European currencies remains at current levels once the ban on beef exports is lifted, United Kingdom traders may still face severe difficulties in re-establishing a market that, at its peak, took about 28 per cent. of our beef.

I congratulate the Minister on facilitating the export of whole carcases of sheep over 12 months old to designated French abattoirs. That is a good move, and it has been warmly welcomed. It is also important that the number of designated French abattoirs is increased, because the inability to export whole sheep carcases has had a disastrous impact on sheep prices. Clearly, the implementation of bilateral agreements with France on sheep exports is necessary.

What is certain is that the Government's policy of deliberately maintaining a strong pound—for whatever reason—is crippling farmers as surely as it is destroying some of our manufacturers. The loss of a family farm that has provided a living for two or three people for generations may not make the headlines in many of the newspapers, as the closure of a large factory would, but for the men and women involved and the work they do, it is no less traumatic.

The cumulative effect on rural communities will be devastating unless there are some policy changes, with action and not merely words. Therefore, I call on the Government to fight the corner for the British farmer, not only in this country but in Europe. Sadly, the British farmer appears to be appreciated only in times of war or crisis. Farming is facing a crisis. Let the Government and the people give the industry the support it deserves.

9.16 pm

Mr. Alan Hurst (Braintree): I welcome the opportunity to speak in this debate, and to congratulate my right hon. Friend the Minister of Agriculture on a speech that in many ways almost united the House, for a while at least. Even the hon. Member for Ross, Skye and Inverness, West (Mr. Kennedy) almost went along with the tripartisan feeling of unity that followed, which is to be welcomed.

Farmers, whatever their constituency, are not particularly interested in who did what, when and where, or in saying that that Government did this but another Government are doing something else. Farmers have jolly long memories—going back centuries—so they can certainly remember what has happened in the past 20 years in politics. However, that is not the issue.

The issue is that there are grave difficulties—I hesitate to say "a crisis", as we have been told that its use might be inadvisable—in British agriculture in the short term, and it faces grave risks in the long term. There is general agreement about the measures that my right hon. Friend the Minister has introduced or is hinting at, but they will not mean an end to the problems of British agriculture: I endorse the words of my hon. Friend the Member for Forest of Dean (Mrs. Organ) and her pleas.

I must cast some doubt on the wonders of the golden calf of the free market. I do not want to get into trouble by saying too much against it, or by not being seen to worship it fully, but we must understand that the sweeping of the free market through some parts of the world is one of the many factors that are harming British agriculture. Since economies are now globalised—a dreadful word—the collapse of economies in other parts of the world has an effect here, which permeates down to the farm at the bottom of the road. Unless we get reform of the common agricultural policy right as soon as we can, the free market will blow through our farms and create greater havoc than many of the diseases that have cursed our agriculture through the decades.

We must get the system of supports right, and I was grateful to hear Opposition Members saying so. Farmers will not care too much whether their incomes come from being the custodians of the land that they and their families have farmed for generations, or from raising crops or livestock.

Farmers want to be part of and contribute to the community in which they have lived for many years. If they are preserving our heritage, they should jolly well be paid for doing so. That would not be a subsidy; the rest of us would be paying farmers properly for doing what we want them to do for us. The sooner we move to such a system of support and away from the endless incentives to over-produce, the sooner we will get things right.

Time is not on our side, however, and it is certainly not on the side of the family farmer. We hear the word "restructuring" bandied about—hon. Members have spoken about it in the context of other industries—but restructuring can take a number of forms. I fear that it will take the form of the destruction of small farms and farms in poorer and remoter areas, with vast tracts of land being taken over by combines of organisations whose primary interest is land value, not land use.

[Mr. Alan Hurst]

We must search urgently for medium and long-term solutions to the problems that our farmers face. In agreeing on the immediate measures that need to be taken, we must not overlook the urgent need to act to retain the structure of rural Britain as we have known it for so long.

9.20 pm

Mr. John Hayes (South Holland and The Deepings): The hon. Member for Braintree (Mr. Hurst), whom I am delighted to follow, was cautious about using the word "crisis". I shall be less so: agriculture is in crisis. The Minister is right to be careful about the use of language—exaggeration is not good for the industry—but it is inappropriate to understate the case. It is important that farmers understand that we appreciate the extent of their difficulties, so I am not hesitant about using the word "crisis", but I am not suffering under the same discipline as the hon. Member for Braintree.

Measured in any terms, agriculture is in crisis. The 56 per cent. fall in incomes over the past year, the level and cost of borrowing, and the fall in the price of products across the sectors all show that it is so.

I notice that the Liberal Democrat spokesman, the hon. Member for Ross, Skye and Inverness, West (Mr. Kennedy), and the hon. Member for North Cornwall (Mr. Tyler) have not had the courtesy to stay to hear the debate. Their suggestion that what has been happening is part of a continuum or general trend is wholly untrue. There was a downturn in almost every sector in 1996, but, compared to what has happened in the past year to 18 months, that downturn was very small indeed. In the arable and livestock sectors, the real problems and the significant decline in incomes have been in the past 18 months.

It would be nonsense to pretend that this Government caused all that, but the scale of the crisis requires emergency action. It is inappropriate to point the finger at Conservative Members and the previous Government, because the current problems are of different proportions from those of two years ago, when it might have been legitimate to blame the Conservative Administration.

I was delighted by the tone of the Minister's remarks, which was in stark contrast to that of his predecessor. I am reminded of the maxim that, to get on, one must be very clever or very nice—the Minister has clearly opted for the latter course. I would say that perhaps the former course was not available to him, but that would be ungracious. The tone, however, is only part of the story. It is important that the Government are listening, but their listening must be backed by action that is, in the Minister's word, proportionate.

There is no question but that the Conservative party legitimately speaks for rural Britain; in psephological terms, it is the principal party of rural Britain. *[Interruption.]* The hon. Member for Stroud (Mr. Drew) may wave his head about, but, if rurality is measured by a combination of agricultural employment and sparsity of population, the Labour party is the third party of rural Britain. It holds less than 20 of the 100 most rural seats. In England, it holds fewer than five of the 50 most rural seats. The Conservative party is the legitimate spokesman of the rural community, with the Liberals trailing some way behind.

It is also true that the Conservative party speaks up for rural Britain. We hope that the new Minister will be seen a little more diligent in attending conferences, visiting shows and mixing with farmers. His predecessor was not famed for that—he was notably absent from some major events in the farming calendar—and we hope for a change of emphasis as well as tone.

The Government must take some positive steps. It is important to emphasise that agriculture is different, and should be treated differently, from other industries. Rural Britain and agriculture are not synonymous—probably the majority of employment in my constituency is related to agriculture, although that is not true throughout the whole of rural Britain—but agriculture holds a special place, not only because of its custodianship of the land, as the hon. Member for Braintree said, but because of family connections, the long-standing nature of the businesses, and the contribution they make to the wider community. Rural and urban Britain should not be separated, but they require different solutions.

I agree that we should consider whether article 36 of the treaty of Rome could help us to create a "level playing field" in trade. We need to consider fresh marketing support, not only for the beef sector but for the whole industry. We should try to improve the advice and research available to farmers. Someone spoke in an earlier debate about farming our way out of the crisis. That cannot be the whole solution, but it can be a part of it. It is a source of shame that the Government have cut the agricultural research budget.

We need a package of aid. The Minister talked about keeping that in proportion. The proportions are there for him to see: I have already mentioned the fall in incomes and the scaling down of the industry. In response, we surely need a proportionate multi-million pound aid package.

Members of all parties on the Select Committee highlighted the fact that the Government seem to lack a strategic vision for agriculture. We need that long-term vision, as well as the short-term aid, if Britain's farmers are to be reassured that they have the support of the House in competing with other nations in feeding the world, as Britain has done in the past and will do again in the future.

9.27 pm

Mr. Mark Todd (South Derbyshire): I want to do something that, I regret to have to say, for the Whips' benefit, is slightly unusual for me, and compliment my right hon. Friend the Minister on a thoughtful speech that drew out many of the consensual elements that exist in the House on the subject. He made this a much more positive and interesting debate than it would otherwise have been, and I warmly commend him for that. The farmers whom I represent have already told me how much they welcome his role and his listening function, and I am sure that hon. Members of all parties agree with that. The strategy remains much the same, but there was a need to listen and to learn, and I think that he has done that.

We should also welcome the progress that has been made on the beef ban. A critical further step in lifting it was taken today, but there is far, far more to do: we must get the ban lifted on beef off the bone, then beef on the bone, and then livestock. Beyond that, we need to win back the markets that we have lost. One of the critical issues, on which I would welcome a ministerial opinion,

is whether we can assist our agricultural sector to win back those markets in the future. We have started to hear encouraging noises and a recognition of the problems that the industry faces. Now is the time to turn that into firm policy.

We should compliment the Government on persuading the retailers to adopt a clearer position on defending the strengths of British agriculture and being more honest with their consumers. That has required substantial work by the Government and a recognition by retailers of the strong public consensus on the matter. Both sides of the House should commend that.

Any steps that we take to put together a short-term package must be consistent with a long-term strategy. In dealing with the crises—I use the plural—that we have faced in farming, we have tended to look for short-term fixes and ways of supporting farmers into the next crisis that they will face in due course, instead of looking at the medium to long-term future of farming in Britain.

Hon. Members have implied that, for the first time ever, small farmers are winding up their businesses or transferring them to larger farmers, but that has been going on for decades, and will continue. I should be sorry if any steps that we took impeded the normal process of the market in moving towards more competitive units or more focused—*[Interruption.]* Hon. Members may disagree, but there is an alternative—more focused attention to niche markets or diversification in the use of farm assets.

We should encourage farmers to explore all those possibilities. We should not give temporary lifelines to businesses that have no honest long-term future. I say that baldly, as I have said it to the farmers whom I represent—10 days ago I spent three hours speaking to a dozen of them in my constituency. I do not have a habit of pulling punches with them, and I would not do so in the House. Some farmers are in unsustainable businesses and we must help them to find alternative uses for their assets or alternative occupations. We cannot fool people that they can maintain their businesses in the future as they have done in the past.

If we are to extend the calf processing scheme, which I believe should be extended, we must carefully balance that against the conditions that those producers will face in a freer—but not free—market, once the ban is lifted. We must recognise that that market is in surplus across Europe, which is a tough marketplace.

I empathise with those who say that we must scrutinise the relative costs of our regulatory regime. I do not question the animal health or food safety aspects of that regulation, but I question the cost burdens that are passed through the industry and whether our officials have learnt enough from the approach taken by other countries in tackling those tasks in an EU regime. I do not believe that we learn enough from other countries that have the same tasks as we have, but undertake them with greater efficiency and sensitivity.

Our longer-term strategy needs far more work. That strategy is the business of Government because we spend £4 billion a year supporting the sector, and we should be concerned about whether that money is well spent.

We have no obvious grasp of a rural development strategy. If by a miracle of miracles an agreement was struck tomorrow on Agenda 2000, and a large amount of money was transferred to rural development, we would have little idea of what to do with it. We have developed little thinking in that area. We were slow to take up the opportunity of objective 5b funding in rural areas. We will be similarly slow to take our opportunities on rural development.

We cannot hold off on development of a long-term strategy simply by saying that it is a matter of common agricultural policy reform. We have to serve our farming community and our citizens, and that obligation overrides others. We should be quite clear about our responsibilities. A long-term strategy is also the best way to persuade our European partners to reform their practices. If we have a clear vision of our own, we will be more persuasive.

We should also recognise fully that the strategy in Agenda 2000 will not succeed in the World Trade Organisation negotiations. We should own to our responsibility to look beyond those limited proposals towards what the marketplace for farming will be like in 10 years time. We have not yet done that thoroughly. The Government need to think carefully about how short-term measures, which are of course welcome, can be balanced with a long-term strategy that will be tough, but to which many positive, market-oriented farmers look forward with enthusiasm.

9.36 pm

Mr. William Thompson (West Tyrone): It is right that we should debate the tremendous crisis in the farming industry, highlighting the difficulties that farmers are going through. After the general election, I was surprised by the attitude of the Government. They seemed to be much against farmers. We were told that the Government had poured between £3 billion and £4 billion into the BSE crisis, that farmers had had enough money and that the Exchequer would not give them any more. The then Minister of Agriculture, Fisheries and Food was fairly combative, and he seemed not to be very sympathetic to farmers.

The power of the Ministry seems to have reduced greatly. We seem to be under the control of Europe, which decides our agricultural policy. We can do little without the consent and approval of Europe. Unfortunately, the only power we seem to have is the power of persuasion. We seem unable to threaten, but merely to persuade. However, it would be churlish of me not to recognise the work done by the previous Minister on BSE, which resulted in the lifting of the export ban in Northern Ireland. Now that the ban has been lifted, though, we are recognising the difficulties of exporting beef. Markets have changed. There is a surplus of meat in Europe. The standards that must be met before beef is exported are high. It will be a long time before Northern Ireland exports the same percentage of beef as it did before BSE. We need a good marketing operation to persuade people that our beef is the best.

The farming crisis has hit Northern Ireland particularly badly because farming is our chief industry. The pig industry has been badly hit by the fire at Lovell and Christmas, where, overnight, the number of pigs that could go to the factory was reduced by 40 per cent. The situation in Northern Ireland is perhaps much worse than that on the mainland.

[Mr. William Thompson]

I welcome the change in the Government's approach. It seems that they have recognised that there is a serious farming crisis. That was noticeable this evening in the message given by the new Minister of Agriculture. I think that we would all agree that since he was appointed to his post he has spoken to farmers and has an appreciation of their needs and the difficulties that they face. We saw that sympathetic approach this evening.

It is always easy to argue against someone who is incompatible. It is more difficult to argue against someone who agrees with us all the time. The problem tonight is that the Government have agreed with everything that the Opposition have said. The Minister seems to agree that the various points that we have been making are true.

I welcome the Minister's speech, which drew a response from both sides of the House. We have promises that a range of proposals will be coming forward and that the calf processing aid scheme will be reconsidered and that various other things will be given careful consideration. We have promises and we have expectations. I am sure that the farming community will look forward to delivery of its expectations, and the sooner it comes, the better.

9.41 pm

Mr. David Drew (Stroud): I had the opportunity last week to listen to Ben Gill, the president of the National Farmers Union, who came to talk to local farmers. The meeting took place in the constituency of the hon. Member for Cotswold (Mr. Clifton-Brown) but there were plenty of representatives from my constituency.

In quite a wide-ranging speech, Ben Gill made two key points and—this shows how things have changed—I almost entirely agreed with him. First, he said that if farmers were to look for reform they had to understand that value added had to start from the bottom up instead of the way in which the food chain now operates, which works downwards from the retailer's margin. Secondly, he said there must be much greater collaboration among farmers. Ben Gill would not attach the word co-operation to those aims although I would. Certainly there is a need for a new way of working.

Ben Gill's third point was particularly valid. Whether speaking on his own behalf or that of the NFU, he was quite worried about pressure from the United States in terms of the agri-chemical business and the changes that this is making to British agriculture. I share his misgivings.

As there is a shortage of time I shall merely add to the points made by Ben Gill and try to find solutions rather than continuing to analyse difficulties, crises and long-term problems. First, we must recognise that although we are much in favour of help in the form of environmental subsidies and aid, farming is still an important part of the rural economy. It must be recognised that there is such a thing as an economically sensitive area and provide support accordingly. That is so important in the context of tenant farmers and other farmers who are not necessarily from the wealthier end of the farming community.

Secondly, we must recognise—this goes back partly to the point made by Ben Gill last week—that farming must be put much more on a business footing. I have nothing but respect for the way in which farmers farm, but, from an outsider's perspective, I see the limited business experience that some farmers have and their genuine need for help in terms of training. In addition, we must look at ways in which markets could be made more easily accessible for farmers.

Thirdly, I am sure that hon. Members would agree that the centralisation of the food supply may have gone too far. Even though there have been advantages in that food standards, hygiene and safety have become paramount, we must recognise that food can be supplied locally. A localised food supply is not only what consumers appear to want, but represents a saving in transport costs and an increase in choice. If we can make progress on that, we might begin to arrive at long-term solutions to an extremely difficult short-term problem.

9.45 pm

Mr. Owen Paterson (North Shropshire): The Secretary of State charmed us all with his speech and his generosity in taking interventions, but I fear that he has underestimated the seriousness of the crisis. An industry whose turnover has dropped from £4 billion to less than £1 billion in two years is, by any definition, in crisis.

Today at the Oswestry auctions, lambs were fetching as little as 61p per kilo on average—about half what they fetched two years ago—and one farmer told me that the sheep industry is "a total disaster". I should like to give the Government a few quick, practical measures that would be of immediate help to the sheep industry.

The farmer I spoke to said that "the Government had panicked about slaughtering costs". There is an abattoir near to my home that employs four meat inspectors, one vet and only four other employees. It sends a cheque every Monday morning for £3,880 to Chester. That is crazy. We must reduce those costs, which are a burden to all farmers. The Select Committee on Welsh Affairs reported on "The Present Crisis in the Welsh Livestock Industry" on 20 May, but we have yet to receive a reply from the Government. We were told that we would receive a reply just after the recess, but have not yet got one.

Finally on the subject of sheep, I acknowledge that the Government are good at spin and controlling publicity and ask them to address themselves to the dangers of maverick, publicity-seeking scientists bursting on to the radio waves and, with one or two sentences, causing severe damage to the livestock industry. That is what happened to the sheep industry in the summer.

Turning to the beef industry, there is a crisis. Good finished bullocks were fetching 75p to 78p per kilo today at Oswestry—way down on the £1.10 to £1.20 per kilo they were fetching a couple of years ago; and stores are making only £120. The future is bleak. In such a climate, it is crazy to consider abandoning the calf scheme. I was pleased by the Minister's equivocation on the point, because, on commercial and animal welfare grounds, some form of the scheme must continue. Before arbitrarily ending it, a way out must be considered, so I suggest that the Minister reads this week's *Farmers Guardian*, which contains an interesting article about the potential veal market on the continent.

Hon. Members on both sides expressed doubt about our ability to reopen the beef market. One exporter in Inverurie had a substantial business: a third of

his turnover—£14 million to £15 million—came from exports to Holland, Italy and France. I stress that the meat was almost entirely beef on the bone. That exporter said today:

"They know that what they are getting from the rest of Europe is rubbish. They want British beef for quality. Australia, New Zealand and southern Ireland do not compare."

Prior to the BSE crisis, he had a £42 million turnover, but that figure is now down to £30 million. He reckons that he could get at least one truck per week back tomorrow if the beef ban could be lifted.

We have heard good news today, but we have yet to see any practical gains. I appeal to the Government to threaten our EU partners with a return to the European Court if they fail to lift the ban, because it is rank hypocrisy to continue it. We in this country have taken the measures needed to make our meat safe and the response has not been good enough. From British cattle exported in the past five years, the Germans should have picked out 285 cases of BSE, but they have picked out only five. We know that there are now no human or animal health grounds for banning British beef.

Mr. Nicholas Winterton: It is politics.

Mr. Paterson: It is entirely politics, as my hon. Friend says.

In the dying two minutes of my speech, I turn briefly to milk, where there is also a crisis. Milk prices are down to 18p or 19p a litre. I am delighted that the Minister of Agriculture, Fisheries and Food has returned to hear that farmers reckon to break even when they are receiving between 14p and 18p. A 4p quota on top of that price means that they cannot make money. The money tied up in quota would far better be invested in ring parlours and modern equipment so that we can compete with countries such as New Zealand and Argentina, where milk production has increased by 28 and 36 per cent. respectively in the same time that European production has marginally dwindled. A large dairy farmer in my constituency said:

"Quotas are holding Europeans back as we are in a supply-controlled economy."

When the Minister replies, will he clarify the Government's view on the end of milk quotas in the Agenda 2000 reforms?

9.50 pm

Mr. Patrick Nicholls (Teignbridge): Only the shortness of time prevents me from being able to refer to each of the 11 excellent speeches by Members on both sides of the House. It says something about the way in which we conduct our affairs that it is possible to say that.

It is clear that the industry is in crisis. The Country Landowners Association has told us that upland farmers are earning substantially less than £10,000 a year. Letters from the Tenant Farmers Association tell us that hill farmers are making less than £7,000 a year. In the west country, where I come from, *The Western Morning News* is full of examples—for which I give it full credit—of people living in the most dire circumstances. A report commissioned by that newspaper reveals that the average farming enterprise in the west country is made up of a husband, wife and full-time working son, who will work between them more than 140 hours a week, for which the average return is about 85p an hour—way below any average minimum wage.

Such figures make one realise that the industry is in crisis and given the financial havoc that that wreaks on farming families, it is small wonder that the *Farmers Weekly*, as several hon. Members have mentioned, last week discussed not money and the prices of food or cereal, but farmers who are driven to the verge of desperation. I have never before seen an editorial in a farming magazine putting out the number for the Samaritans. That is no idle comment because it is obvious to anyone who reads the agricultural press that farming suicides occur about once a week. That is the measure of the crisis in British agriculture.

Conservative Members have never made the case that the crisis started on 1 May last year. The indictment has never been that the Government are to blame; it is that the crisis was manifest and the Government were not acting.

I pay due credit to the way in which the Minister has spoken tonight. Mood music matters, and the right hon. Gentleman's approach is in marked contrast to that of the Secretary of State for Health, who at a rural health forum last week contemptuously dismissed the idea that it was necessary to put any money into a study on rural deprivation.

The Minister has come across as an absolute sweetie tonight, but he has been in control for the past three months and he could in the first three hours have lifted the ban on beef on the bone. Soft music matters, but the Government have presided over the beef ban longer than the previous Conservative Administration. The conditions set down in Florence were met even before the previous election. Developments only last week, when the Commission took action on the BSE crisis in Portugal, will give cover to those in Europe who want to ensure that even now the beef ban is not lifted. The Minister should consider the way in which tallow has been treated recently. We are still waiting for a visit from the Commission to consider our arrangements on that. He will understand why I am not convinced that we are standing on the threshold of an instant lifting of the ban.

On agrimonetary funds, my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) made it clear that if circumstances changed he would certainly revisit the debate. It is common ground that the situation has changed.

I commend the Minister of Agriculture. There is no doubt that he has tonight conceded the case that has been constantly made by Conservative Members. Moreover, he has accepted many of the measures that we set out in "Fair Deal for Farmers".

We need to study the detail. I note what the Minister said about arrangements that he has reached with supermarkets, but he said nothing about food produced by means that would be illegal in this country. I therefore tell the Minister that we shall want another debate soon. We shall want a debate in Government time to allow us to examine carefully the measures that he intends to bring before the House.

By standing four square by the country community, the Conservative party has produced this change of heart. I say to the Minister: the jury is out on the Minister of Agriculture. I commend him for having the humility to admit that the jury is out, but we shall return to the subject.

9.54 pm

The Minister of State, Ministry of Agriculture, Fisheries and Food (Mr. Jeff Rooker): In the short time available—for which I do not apologise, as in last week's debate I spoke for 40 minutes with a dozen interventions—I praise my right hon. Friend the Minister's tour de force tonight. I thank everyone who has spoken for the way in which they made their case, and I thank my right hon. Friend for the way in which he listened. It is no bad thing to have agriculture debates two weeks running. Those who have listened to the debate and who read the pages of *Hansard* will see the footprints of the farming community across the pages of *Hansard* in the speeches that were made tonight.

I say almost as an aside that there has been near tripartisanship in the House tonight. To send the right signals to the farming community in this country and to those abroad, we must win friends and influence people. Therefore, on reflection, the Opposition might not want to press their motion to a vote.

Last week, I told the House the totals of subsidies paid by Government to farming. Those are very substantial sums of money, one of which my right hon. Friend the Minister mentioned tonight—the global sum of £600 million a year paid to the hill farming community. When I was walking a hill farm in Cumbria last Friday morning, having listened to farmers the previous evening, I promised hill farmers that I would give others pause for thought by expressing their point of view tonight.

About £20 million a year in farming subsidy goes into the Lake district. The income generated from tourism there is estimated at £580 million a year. No one would argue that that massive tourism income would be generated if the Lake district and the county of Cumbria were not looked after as they are. Therefore, although we must express the subsidy figure as £600 million because it is taxpayer's money, that figure is not the be-all and end-all. That money comes back to the Exchequer in other ways, which are not generally accepted by the accountants, who look at matters in a cold, clinical way.

I thank my right hon. Friend the Chief Secretary for coming to the debate tonight to listen to the points that were made in the wind-up. My right hon. Friend is a friend indeed.

The decision taken in Brussels today is important. Today's decision—and, I hope, the decision later this month—to lift the beef ban is very symbolic. However, no one should allow themselves to believe that beef will start to be exported until a long time after that decision, as we know from the case in Northern Ireland. The date-based scheme is slightly different. The industry will need to invest considerably because of the details of the scheme as they relate to cutting plants and abattoirs.

A substantial marketing operation will be needed, especially as there is overproduction of the product and we have lost markets. It will take a long time to win back the market. However, it is highly symbolic that the safety of British food and British beef will be recognised without exception, and that will have a ripple effect on the rest of the food industry.

We cannot deny the voluntary actions taken by supermarkets, which are currently much unloved by the community—both the farming community and the wider community—although they have been managing to take people's money by successfully converting themselves into banks. Nevertheless, supermarkets have been making their own case with rather less panache. Yesterday, they committed themselves—particularly on pigmeat, including Parma ham, the supply of which is very limited—not to import, from 1 January 1999, pigmeat products from countries that do not provide a genuinely and absolutely level playing field.

Question put, That the original words stand part of the Question:—

The House divided: Ayes 129, Noes 325.

Division No. 370] **[9.59 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Atkinson, Peter *(Hexham)*
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Body, Sir Richard
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Brady, Graham
Brazier, Julian
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clappison, James
Clifton-Brown, Geoffrey
Collins, Tim
Colvin, Michael
Cormack, Sir Patrick
Cran, James
Davis, Cynog
Davies, Quentin *(Grantham)*
Duncan, Alan
Duncan Smith, Iain
Emery, Rt Hon Sir Peter
Evans, Nigel
Faber, David
Fabricant, Michael
Forth, Rt Hon Eric
Fox, Dr Liam
Fraser, Christopher
Gale, Roger
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Goodlad, Rt Hon Sir Alastair
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hawkins, Nick
Hayes, John
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lloyd, Rt Hon Sir Peter *(Fareham)*
Loughton, Tim
Luff, Peter
MacGregor, Rt Hon John
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Major, Rt Hon John
Malins, Humfrey
Maples, John
Mates, Michael
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Prior, David
Randall, John
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Ruffley, David
St Aubyn, Nick
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Simpson, Keith *(Mid-Norfolk)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Townend, John
Tredinnick, David

Trend, Michael
Tyrie, Andrew
Whitney, Sir Raymond
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Ayes:
Mr. Stephen Day and
Mr. Nigel Waterson.

NOES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert (Cov'try NE)
Alexander, Douglas
Allan, Richard
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atkins, Charlotte
Baker, Norman
Ballard, Jackie
Barnes, Harry
Barron, Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Beith, Rt Hon A J
Bell, Stuart *(Middlesbrough)*
Benn, Rt Hon Tony
Bermingham, Gerald
Berry, Roger
Best, Harold
Betts, Clive
Blears, Ms Hazel
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brake, Tom
Brand, Dr Peter
Breed, Colin
Brown, Rt Hon Nick *(Newcastle E)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnett, John
Butler, Mrs Christine
Byers, Rt Hon Stephen
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Campbell–Savours, Dale
Cann, Jamie
Caplin, Ivor
Caton, Martin
Chapman, Ben *(Wirral S)*
Chaytor, David
Chidgey, David
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clelland, David
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Connarty, Michael
Cook, Frank *(Stockton N)*
Cooper, Yvette
Corbett, Robin
Corbyn, Jeremy
Corston, Ms Jean
Cotter, Brian
Cousins, Jim
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Curtie–Thomas, Mrs Claire
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Edward *(Kingston)*
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dismore, Andrew
Dobbin, Jim
Dobson, Rt Hon Frank
Donohoe, Brian H
Dowd, Jim
Drew, David
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Fatchett, Derek
Fearn, Ronnie
Field, Rt Hon Frank
Fisher, Mark
Fitzsimons, Lorna
Flynn, Paul
Foster, Michael J *(Worcester)*
Galbraith, Sam
Galloway, George
Gardiner, Barry
George, Andrew *(St Ives)*
Gerrard, Neil
Gibson, Dr Ian
Godman, Dr Norman A
Godsiff, Roger
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Gorrie, Donald
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grogan, John
Gunnell, John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Harris, Dr Evan
Harvey, Nick
Heal, Mrs Sylvia
Heath, David *(Somerton & Frome)*
Henderson, Ivan *(Harwich)*
Heppell, John
Hesford, Stephen
Hill, Keith
Hinchliffe, David
Home Robertson, John
Hopkins, Kelvin
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Mrs Fiona *(Newark)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Kelly, Ms Ruth
Kemp, Fraser
Kennedy, Charles *(Ross Skye)*
Kennedy, Jane *(Wavertree)*
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
Kumar, Dr Ashok
Ladyman, Dr Stephen
Laxton, Bob
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Linton, Martin
Livingstone, Ken
Livsey, Richard
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
Macdonald, Calum
McDonnell, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
Maclennan, Rt Hon Robert
McNulty, Tony
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall–Andrews, Robert
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Meale, Alan
Merron, Gillian
Michael, Alun
Michie, Bill *(Sheff'ld Hlesley)*
Michie, Mrs Ray *(Argyll & Bute)*
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morris, Ms Estelle *(B'ham Yardley)*
Mowlam, Rt Hon Marjorie
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Naysmith, Dr Doug
Oaten, Mark
Olner, Bill
O'Neill, Martin
Öpik, Lembit
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Powell, Sir Raymond
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prosser, Gwyn
Purchase, Ken
Quin, Ms Joyce
Radice, Giles
Rapson, Syd
Raynsford, Nick
Reid, Rt Hon Dr John *(Hamilton N)*
Rendel, David
Robinson, Geoffrey *(Cov'try NW)*
Rogers, Allan
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruddock, Ms Joan
Ryan, Ms Joan
Salter, Martin
Sanders, Adrian
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Shipley, Ms Debra
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Smith, Sir Robert *(W Ab'd'ns)*
Snape, Peter
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George

Stewart, Ian *(Eccles)*
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stringer, Graham
Stunell, Andrew
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Taylor, Matthew *(Truro)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tyler, Paul
Vaz, Keith
Vis, Dr Rudi
Wallace, James
Wareing, Robert N
Webb, Steve
White, Brian
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Willis, Phil
Wills, Michael
Winnick, David
Wise, Audrey
Wood, Mike
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*

Tellers for the Noes:
Mr. David Hanson and
Mr. Kevin Hughes.

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments):—*

The House divided: Ayes 248, Noes 132.

Division No. 371] **[10.13 pm**

AYES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Atkins, Charlotte
Barnes, Harry
Barron, Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Bermingham, Gerald
Betts, Clive
Blears, Ms Hazel
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brown, Rt Hon Nick *(Newcastle E)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Butler, Mrs Christine
Byers, Rt Hon Stephen
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell-Savours, Dale
Cann, Jamie
Caplin, Ivor
Caton, Martin
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clelland, David
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Connarty, Michael
Cook, Frank *(Stockton N)*
Cooper, Yvette
Corbett, Robin
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Crausby, David
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Curtis-Thomas, Mrs Claire
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Dean, Mrs Janet
Dismore, Andrew
Dobbin, Jim
Dobson, Rt Hon Frank
Donohoe, Brian H
Dowd, Jim
Drew, David
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Ellman, Mrs Louise
Fatchett, Derek
Fisher, Mark
Fitzsimons, Lorna
Foster, Michael J *(Worcester)*
Galbraith, Sam
Gardiner, Barry
Gerrard, Neil
Gibson, Dr Ian
Godman, Dr Norman A
Goggins, Paul
Golding, Mrs Llin
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Win *(Bridgend)*
Grogan, John
Gunnell, John
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Heal, Mrs Sylvia
Henderson, Ivan *(Harwich)*
Heppell, John
Hesford, Stephen
Hill, Keith
Hinchliffe, David
Home Robertson, John
Howarth, George *(Knowsley N)*
Hughes, Ms Beverley *(Stretford)*
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Mrs Fiona *(Newark)*
Jones, Martyn *(Clwyd S)*
Kaufman, Rt Hon Gerald
Keeble, Ms Sally
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Kelly, Ms Ruth
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Kidney, David
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Linton, Martin
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McDonnell, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
Mackinlay, Andrew
McNulty, Tony
Mactaggart, Fiona
McWalter, Tony
Mahon, Mrs Alice
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall-Andrews, Robert
Maxton, John
Meacher, Rt Hon Michael
Meale, Alan
Merron, Gillian
Michael, Alun
Michie, Bill *(Sheff'd Heeley)*
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morris, Ms Estelle *(B'ham Yardley)*
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Naysmith, Dr Doug
Oaner, Bill
O'Neill, Martin
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pope, Greg
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prosser, Gwyn
Quin, Ms Joyce
Radice, Giles
Rapson, Syd
Raynsford, Nick
Reid, Rt Hon Dr John *(Hamilton N)*
Robinson, Geoffrey *(Cov'try NW)*
Rooker, Jeff
Rooney, Terry
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruddock, Ms Joan
Ryan, Ms Joan
Salter, Martin
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew (Oxford E)
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stewart, Ian *(Eccles)*
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Taylor, David *(NW Leics)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Timms, Stephen
Tipping, Paddy

Todd, Mark
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Vaz, Keith
Vis, Dr Rudi
Wareing, Robert N
Wicks, Malcolm
Williams, Alan W *(E Carmarthen)*
Wills, Michael
Winnick, David
Wise, Audrey
Wood, Mike
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*

Tellers for the Ayes:
Mr. David Hanson and
Mr. Kevin Hughes.

NOES

Ainsworth, Peter *(E Surrey)*
Allan, Richard
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, Rt Hon James
Atkinson, Peter *(Hexham)*
Baker, Norman
Ballard, Jackie
Beith, Rt Hon A J
Bercow, John
Blunt, Crispin
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Brake, Tom
Brand, Dr Peter
Brazier, Julian
Breed, Colin
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burnett, John
Burns, Simon
Butterfill, John
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chidgey, David
Chope, Christopher
Clifton-Brown, Geoffrey
Collins, Tim
Colvin, Michael
Cotter, Brian
Cran, James
Davies, Quentin *(Grantham)*
Day, Stephen
Duncan, Alan
Duncan Smith, Iain
Emery, Rt Hon Sir Peter
Evans, Nigel
Faber, David
Fabricant, Michael
Fearn, Ronnie
Fox, Dr Liam
Fraser, Christopher
Garnier, Edward
George, Andrew *(St Ives)*
Gibb, Nick
Gill, Christopher
Goodlad, Rt Hon Sir Alastair
Gorman, Mrs Teresa
Gorrie, Donald
Gray, James
Green, Damian
Grieve, Dominic
Gummer, Rt Hon John
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Harris, Dr Evan
Harvey, Nick
Hawkins, Nick
Hayes, John
Heald, Oliver
Heath, David *(Somerton & Frome)*
Heathcoat-Amory, Rt Hon David
Hogg, Rt Hon Douglas
Howarth, Gerald *(Aldershot)*
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Kennedy, Charles *(Ross Skye)*
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Livsey, Richard
Lloyd, Rt Hon Sir Peter *(Fareham)*
Luff, Peter
MacGregor, Rt Hon John
MacKay, Rt Hon Andrew
Maclean, Rt Hon David
Maclennan, Rt Hon Robert
McLoughlin, Patrick
Madel, Sir David
Major, Rt Hon John
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Michie, Mrs Ray *(Argyll & Bute)*
Nicholls, Patrick
Norman, Archie
Oaten, Mark
Öpik, Lembit
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Prior, David
Randall, John
Redwood, Rt Hon John
Rendel, David
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Ruffley, David
Russell, Bob (Colchester)
St Aubyn, Nick
Sanders, Adrian
Sayeed, Jonathan
Smith, Sir Robert *(W Ab'd'ns)*
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Swayne, Desmond
Syms, Robert
Taylor, John M *(Solihull)*
Taylor, Matthew *(Truro)*
Trend, Michael
Tyler, Paul
Tyrie, Andrew
Wallace, James
Waterson, Nigel
Webb, Steve
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willis, Phil
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Noes:
Mr. Andrew Stunell and
Mr. Edward Davey.

Question accordingly agreed to.

MR. DEPUTY SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House welcomes the Government's strong commitment to the United Kingdom farming industry and to the wider rural economy; recognises that the lifting of the beef export ban in Northern Ireland represents the first crucial step towards lifting the ban from all parts of the United Kingdom; welcomes the steps which the Government has taken since May 1997 to support the beef and sheep industry via EU agri-monetary compensation and relief from charges; acknowledges the steps taken specifically to help the sheep, pig and cereal sectors with targeted EU measures; and endorses the Government's intention to bring about a secure and viable future for United Kingdom farming by seeking a reformed Common Agricultural Policy, which is more economically rational, which reduces the bureaucratic burden on farmers, which enhances targeted support for the rural economy, which serves the consumer well and which contains fair and common rules to ensure that the United Kingdom's farming and food industries can exploit their competitive advantages in European and world markets.

PETITION

Benefit Integrity Project

10.24 pm

Mr. Nigel Waterson (Eastbourne): I beg leave to present a petition from my constituency about the benefit integrity project as it applies to the chronically disabled. The petition says that it refers in particular to

women between the ages of 60 and 65, whilst the over-65s are amongst the groups exempt from this project. Sadly, it is not likely that disabled people of this age are going to get better, or need less care.

The petition is signed by nearly 700 of my constituents, in particular Mrs. Diane Roberts, who prepared it. It continues:

The Petitioners therefore request, with respect to the House, that the House amend the minimum exemption age to 60, and allow the elderly Life Award Chronic Disabled to live their difficult, stressful and painful lives without the added worry of benefit cuts, and being under suspicion of fraud. The Petitioners ask, with respect, on behalf of all the disabled and their, at best, poorly paid carers, for the House to look again at the Benefit Integrity Project, not to take away such benefits, but give them some much needed help.

And the Petitioners remain, etc.

To lie upon the Table.

Information Warfare

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Clelland.]*

10.26 pm

Mrs. Jacqui Lait (Beckenham): I am delighted that I have been able to bring up the subject of information warfare tonight. I had hoped to be able to take part in the recent debate on the strategic defence review, but was unsuccessful. However, I now have half an hour of the Minister's undivided attention, which is infinitely better.

If anybody thinks about information warfare—not many do—they think it the stuff of science fiction. Indeed, I can remember reading a novel that uses information warfare techniques for criminal purposes. Having taken an interest in the subject, the more I think about it, the more I am convinced that this country is not able to defend itself from an attack that could happen at any time.

I read the strategic defence review document to try to find out what is planned to tackle the problem, and found references to it only in paragraph 34, which defined information warfare, and paragraph 35, which merely said:

"While we cannot predict the detailed impact of such changes over twenty years, we have taken a hard look at how we can seek to make the most of emerging trends in all areas of the Review, including how to adapt our requirements and procurement processes so that we are not left behind by the speed of change."

I then wrote to the Minister for Defence Procurement, who is in the other place. He quoted me paragraphs 16 and 17 of supporting essay 3, entitled "The Impact of Technology", which, frankly, was not much more enlightening. It could be described as a blizzard of words.

I am sure that Ministers and officials are concerned about the threat, and undoubtedly are working hard to counter it. My concern is that it must be countered as effectively as humanly possible, and I am not sure that the United Kingdom is doing that.

The neatest and shortest explanation of information warfare that I have found so far is contained in the review. It says:

"information warfare attacks through the computer systems on which both our forces and civil society increasingly depend."

The military no longer has its own specifications for computer equipment. With the demand from civilian life far outstripping that from the military, high-tech equipment such as computers, chips, motherboards and all the paraphernalia that now make our lives so much easier is interchangeable. That could allow some person or group of evil intent, with the necessary expertise—not so difficult to come by nowadays—to attack computer systems and networks both in the military sphere and in crucial areas of civilian life.

For example, the whole of the Ministry of Defence budget, at some time or another, goes through the City of London's banking system; military planes and helicopters cannot move without civilian air traffic control; nothing can be operated without access to electricity, which is produced in the civilian sphere; and military communications use private sector-owned landlines, cables and satellites.

If only one terrorist group, pressure group, foreign intelligence service, foreign power, rogue military or criminal used only one computer buff, any one or all of those systems could be closed down and the country brought to its knees. It does not take a lot of imagination to envisage a good computer hacker getting into the chip that controls a pumping station and instructing the national electricity grid to shut down, and the mind boggles at someone getting into the air traffic control computers. The banking system and the City of London could be bled dry, and every penny sent to an offshore address, or our telecommunication and data systems could be closed down.

Those would be civilian disasters, but every scenario that I have described affects the MOD directly, and the country would lie defenceless at the mercy of whoever wished to defeat it, without a shot being fired or our forces alerted. There is no point in saying, "But it wouldn't happen." It already does. Banks have had money misappropriated by hackers, and I understand that our air traffic control system, which is regarded as robust, has already suffered from "spoofing" as someone tried to get information from it. The new system, which will be Europewide, will be even more open and, hence, much more vulnerable.

Everyone who uses computers—people in utilities, banks, telecommunications and the defence industry—uses commercial systems and commercial software. The software is written all over the world. Everyone uses subcontractors. I understand that there are about 60 microprocessors in Eurofighter alone. Does anyone know exactly where they were made and who has written the software?

Many people use subcontractors for the maintenance of their computer systems. I am told by those who know about these things that "maintenance ports" are often left open. That provides an easy way into the system.

I hope that I have made it clear that any developed country using modern technology is vulnerable to information warfare attack. The real question is, how are we going to defend ourselves? We will need to do so—we cannot escape it.

In the mid-1990s, President Yeltsin said:

"While maintaining our nuclear potential at proper level, we need to devote more attention to developing the entire range and means of information warfare."

The cold war may have ended, but cold war warriors are aware of the potential of this threat.

For information and ideas, I turned to the United States. Given the lack of information in the strategic defence review, I suspected that there was not much available from official sources in the United Kingdom, such as the MOD. How right I was. I searched the internet, appropriately enough. Did I find anything at all from the United Kingdom, in the new age of freedom of information? Not a dicky-bird.

The United States was different, and the entries were enlightening. There were 48, and one site explained what the United States Navy information warfare division at Port Mugu was doing to combat information warfare. Another site, which gave a good description of information warfare, has been visited 5,363 times since 14 July this year, which is an average of more than 300 visits a week. Two of them were mine. That shows that there is quite an interest in the subject.

In November 1996, the American Under-Secretary of Defence for Acquisition and Technology received a report from the Defence Science Board task force on information

warfare. It is available in full on the internet and is unclassified. The report recommended a series of actions, the prime one being that the most effective defence against information warfare attack is to ensure that everyone is aware of the issue. The United States has gone public.

I understand that the United States Department of Defence is working with all the industries most closely affected, such as the ones that I have mentioned. The Department has already sanctioned penetration tests of 12,000 supposedly secure sites. It has discovered that 90 per cent. had been penetrated and, of that 90 per cent., 95 per cent. had been undetected. Another check in 1997 showed that those already appalling statistics had become much worse.

In the light of that, what are we doing to defend ourselves in the United Kingdom? Have we made any assessment of our vulnerability? Have we put in place key point protection systems? After all, a guard and a dog at a pumping station cannot protect the chip in the pump from the computer hacker.

Does the Minister agree with the US theory that the best method of defence is wide knowledge and awareness? If he does, what is he doing about it? When will I see his policies and actions on the internet? If he does not, can he tell me and our best allies why he disagrees? It does not cost money to share information between defence and civilian industries, so the Treasury will not object. Has he invited the relevant industries to a meeting to discuss how to protect themselves and develop their awareness and education of the threat?

The resilience of our military and civilian computer systems can be enhanced at only modest cost. Has the hon. Gentleman asked for estimates? Has the Ministry of Defence developed a threat assessment that he could share with us? Has the MOD plans to create an incident report and response system? Is work going on to develop standards for information warfare and monitor their effectiveness? What is being done to ensure that protection against IW attack is a key requirement of all procurement activity? All that is defensive, so is any thought being given to developing our own attack systems? I am sure that the Minister is not complacent and will be able to reassure me that all those questions have answers that will satisfy me.

Finally, I urge the Minister, in the spirit of freedom of information and open government, to share what is happening in information warfare with the rest of the United Kingdom and with the United States—they are, I believe, happy to share their information and technology with us.

10.36 pm

The Parliamentary Under-Secretary of State for Defence (Mr. John Spellar): I congratulate the hon. Member for Beckenham (Mrs. Lait) on her success in securing today's Adjournment debate on an issue of such importance not merely to the security of the United Kingdom, but to our ability to secure the economic and industrial benefits that new information technologies bring. I also thank her for informing me previously of the outline of her speech; I hope that our debate will be more productive as a result. I had hoped that my hon. Friend the Minister for the Armed Forces would be able to reply, as I understand that he and the hon. Lady were at the same university, but unfortunately he is on Government business elsewhere tonight.

The Government are fully alive to the threats posed by information warfare to information infrastructure in defence and in government more widely and also to the national infrastructure, which the hon. Lady highlighted. However, I must make it clear to the House that some of the wilder speculation in the media is not founded in fact.

The Government are working closely with key players in the private sector and with our allies internationally, in particular the United States, to ensure that protection of the national information infrastructure is as robust as possible.

Everyone recognises how our dependence on available information increases daily and the hon. Lady detailed some examples. That is not a unique Ministry of Defence or Government occurrence, but affects all corners of public and private life. Corporate networks, for instance, are essential to the effective management of all large organisations and, as the hon. Lady mentioned, those networks are increasingly interconnected.

In addition, the internet has emerged as a potent medium which has the potential to give every individual connected to a telephone line anywhere in the world access to information systems. The significance of that has not been overlooked by the Government.

Integrated information capabilities create a broader canvas on which to use and share information. That has tremendous benefits, not least in improving the effectiveness of our decision making. However, that wider interconnectivity also makes computer systems vulnerable to attack, as the hon. Lady rightly pointed out.

Attempts by hackers using the internet to gain access to systems are a popular subject for newspapers; they certainly make good copy and even good dramatic material for films, but we must keep them in perspective. Such attacks can originate from a wide range of adversaries, who may include terrorists and criminals as well as mischievous and malevolent individuals; they are no respecters of international boundaries. Ill-disposed insiders are also a threat to many organisations.

Unless appropriate protective measures are taken, there is a risk that information held in computers may be copied, stolen or deleted. A wide range of techniques can be used—I do not intend to discuss them here. However, it is widely known that they could include the misuse of software to transmit computer viruses or to leave small additions to existing software applications that could be activated later to damage or retransmit the information held by that computer—so-called Trojan horses. I assure the hon. Lady that such vulnerabilities in systems in all areas of government and in our national infrastructure and commerce are taken very seriously.

Hon. Members will understand why the Ministry of Defence is especially concerned with those issues, and I shall give some insight into the sort of security measures that the Government take by describing how the MOD approaches the subject.

Within the MOD, the need to guard against risks to computer systems and communications has long been recognised, and procedures and security mechanisms are in place to protect those vital assets. Those mechanisms protect secrets, they protect against damage and they authenticate recipients of information. That involves a combination of physical, people-based and technical measures.

[Mr. John Spellar]

Physical measures are part of the legacy of the United Kingdom's experience from the cold war and of our response to terrorism. We undertake regular risk and vulnerability assessments of our bases, buildings and personnel security as well as the infrastructure of our information services.

Personnel security involves training and vetting and has always been a keystone in achieving assured security. Technical measures are based on accredited security products deployed within an architecture that prevents unauthorised access to systems or to the information that they hold. We use nationally developed and approved cryptographic protection, firewalls to limit access between interconnected systems and so-called air gaps or one-way information valves around systems that hold sensitive material.

Protective measures are built into systems during their design and are accredited through a central process within the MOD. Audits of systems and procedures are conducted, and penetration testing is routinely undertaken to check for any previously unrecognised vulnerability.

As the hon. Lady said, the MOD, like all Departments and users, needs to use commercial products in many of its systems. The functionality provided by the commercial market cannot be rivalled through bespoke MOD development. The MOD has a policy to use commercial products wherever possible; that brings economy of scale and ensures that the MOD obtains maximum value for money. As she also rightly said, however, that brings its own risks.

Procedures and techniques are in place to minimise the risk associated with a commercial procurement strategy. First, many defence systems stand alone; they are not connected to the outside world because they do not need to be. Secondly, we have a requirement that key commercial applications be approved by independent UK accreditors before they can be used in any sensitive context.

The MOD supports a substantial research programme, which looks ahead and analyses the potential impact of new techniques in information technology, assessing their utility to military operations as well as any risk that they represent to existing and future defence systems.

The MOD takes an active stance, along with industry, in involving itself with the industrial standards bodies to ensure that the security standards set for the next generation of information technology can be applied with minimum further investment by the MOD.

To protect against possible information warfare incidents against the United Kingdom, there is a Government-wide unified incident reporting and alert scheme—UNIRAS—which collates all anomalies that are reported to it by those in the Government. It must be appreciated that UNIRAS attracts real incidents, false alarms and accidents, as well as physical events such as theft and destruction.

On 11 May, I answered a question on incidents involving the MOD from the hon. Member for Truro and St. Austell (Mr. Taylor), saying that, up to that time, there was no evidence of a successful intrusion from an external source to any MOD computer system. I stand by that answer today.

Mrs. Lait: Is there any evidence of key protection points being penetrated, and has that been registered on UNIRAS? The Americans have some very worrying statistics about the penetration of key protection points.

Mr. Spellar: I will seek more information, as I did not have notice of that question, and write to the hon. Lady, subject to the usual constraints.

The United Kingdom is routinely involved in military operations with coalition partners. The strategic defence review reflected the fact that this trend is likely to be accentuated. There are special issues of information protection when our national systems need to work with those of our allies. Again, we exploit the full range of physical, people-based and technical measures to ensure that we are not exposed to new risks. We also endeavour to provide good protection across shared systems and their associated multinational infrastructures.

The MOD places a high priority on maintaining strong working relationships with our allies through forums where security standards and operating procedures are developed, as well as through a network of bilateral arrangements.

A discussion of defence against information warfare cannot be complete without reference to the wider implications to Government and commercial infrastructures. United Kingdom Governments have a good record of protecting our assets against both traditional and unconventional threats. The UK has had to deal over many years with a terrorist threat that has targeted Government, commerce and infrastructure. Information warfare is equivalent in its potential.

The knowledge and lessons learned from our experience of counter-terrorism stand us in good stead for the new threat that information warfare might pose. In particular, our experience makes it easier for the Government to work closely with key private sector players who are also well aware of the possible dangers to their own information systems.

The Government's record of maintaining a high standard of computer security is good, and we have been justifiably cautious about interconnection, but we shall look hard at existing arrangements for protecting information and information systems. We need to ensure that our policies and procedures keep pace with the fast-moving environment of information technology and we hope to announce new initiatives shortly, designed to ensure that the critical national infrastructure is adequately defended.

Protecting against information warfare is not the province of one country alone but, as I hope that I have shown, affects all who want to benefit from the advantages of greater interconnectivity. Threats from attacks on information systems are not bounded by traditional territorial boundaries. It is imperative that international co-operation and co-ordination are actively pursued.

The Government are actively addressing the threat of information warfare and the risks posed by the wider exploitation of new information technologies and greater

interconnectivity of computers; we are doing so robustly, in close co-operation with our allies, with the private sector and across government.

The UK is well placed in its understanding of the risks and how those can be controlled in the emerging world where interconnectivity is as vital to defence as it is to national infrastructure, commerce and the "knowledge economy". We cannot be complacent, if only because this is such a fast-moving subject, but I can assure hon. Members that we are taking all possible measures to ensure that our information is secure.

The MOD, and Government more generally, are addressing the risks posed by the greater exploitation of new information technology, and they are doing so from the bedrock of tried and tested security policies and procedures.

The United Kingdom has a history and wealth of experience in dealing with unconventional threats, to which information warfare is a successor. Protection against attack by information warfare is not the sole domain of the MOD. We are active in the national and international, commercial and industrial arena, particularly in regard to the close relationship that the UK enjoys with the United States, in exchanging and discussing current information warfare issues.

In addition, the Government hope to announce shortly a package of measures that will further ensure that key IT systems in government and in the critical national infrastructure are adequately defended against the threat posed by information warfare.

I hope that I have demonstrated that the Government have been concerned to strike the right balance on this relatively new but, as the hon. Lady rightly said, extremely important subject.

There is a good level of defence in place to protect key systems in the MOD and more widely in government. I thank the hon. Lady for introducing the debate. I expect that this is not the last that we have heard of the topic, but she can be assured that we are taking effective action.

Question put and agreed to.

Adjourned accordingly at ten minutes to Eleven o'clock.

House of Commons

Thursday 5 November 1998

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

PRIVATE BUSINESS

CITY OF WESTMINSTER BILL *[Lords]*
Read a Second time, and committed.

BODMIN MOOR COMMONS BILL *[Lords]* (*By Order*)
Order for consideration, as amended, read.
To be considered on Wednesday 11 November.

ALLIANCE AND LEICESTER PLC (GROUP REORGANISATION) BILL *[Lords]* (*By Order*)
Order for Second Reading read.
To be read a Second time on Wednesday 11 November.

Oral Answers to Questions

TREASURY

The Chancellor of the Exchequer was asked—

Hypothecation

1. **Mr. Donald Gorrie** (Edinburgh, West): What assessment he has made of the advantages of extending the principle of hypothecation in the tax system. [56858]

The Chief Secretary to the Treasury (Mr. Stephen Byers): In general, the Government determine their expenditure according to need, not according to the sources of their revenue. However, we will continue to look at each case on its merits.

Mr. Gorrie: The answer is encouraging in so far as it goes. The first stage should be to find a more friendly word. "Hypothecation", like subsidiarity, is an excellent concept but not a good word—perhaps we should use the word "earmarking". What will the Government do to encourage the earmarking of national or local taxes or charges for a specific related purpose? For example, office parking charges or road pricing could fund improvements in local public transport or, as Lord Marshall proposed, national taxes on energy could be spent on energy efficiency.

Mr. Byers: We said in our transport White Paper that we would consider carefully any pilot schemes in which revenues were earmarked for particular purposes. Our general view is that we need, as a Government, to identify our own priorities. That is why we have committed £40 billion to hospitals and schools over the period of the comprehensive spending review—spending that Her Majesty's official Opposition have still not supported.

Mr. Robert Sheldon (Ashton-under-Lyne): Is my right hon. Friend aware that his answer will give great encouragement? He said that he would look at the issue on its merits, which I have never before heard said about this matter; so I am grateful for that. I share the usual Treasury view that hypothecation is a danger. However, there is a case for it in one instance—the national health service. Expenditure on the health service will not fall, which is one of the problems with hypothecation, and an increase in any tax related to health service expenditure could command widespread support.

Mr. Byers: There are always presentational arguments for earmarking taxation, but the Government's fundamental principle is that we need to identify our priorities as a Government and allocate resources accordingly. The health service will, of course, benefit from that approach, as we are committing an extra £21 billion to it over the three years from next April. Moreover, on Tuesday, in his pre-Budget report, the Chancellor committed a further £250 million this year to ensure effective health care across the country.

Mr. David Ruffley (Bury St. Edmunds): On earmarking tax revenues, may I draw the attention of the Chief Secretary to a report in *The Independent* today, which states that Ministers want to let the married couples allowance "wither on the vine"? Is that report true? If so, would that not represent yet another tax increase on childless married couples?

Mr. Byers: I have not seen that report. One of the reasons that I do not read *The Independent* is that I do not always believe the stories that it covers. The hon. Gentleman will have to wait and see, but, if I were him, I would not rely on reports in *The Independent*.

Productivity Seminars

2. **Jane Griffiths** (Reading, East): If he will make a statement on his recent productivity seminars. [56859]

The Chancellor of the Exchequer (Mr. Gordon Brown): With business, we are putting in place a strategy to tackle the long-term economic weakness of a 40 per cent. productivity gap between this country and our most successful competitors. The pre-Budget report sets out what we must do in the coming year to help to equip the British economy for the challenges ahead.

Jane Griffiths: Does my right hon. Friend agree that, in constituencies such as mine, where unemployment is almost zero, there is no cause for complacency, and that productivity is a key to achieving all our targets?

Mr. Brown: I agree that productivity is a central issue for the British economy. The director-general of the Confederation of British Industry told its conference that our productivity is 37 per cent. behind that of the United States and that the big picture is clear. The CBI agrees about the action that is necessary. I believe that our

discussions with British business will yield results, and I have always said that we will make changes in the Budget, in regulations or in public spending, if necessary—if a case is proven—to help to bridge the productivity gap. The only party that does not seem to be willing to join the debate is the Conservative party.

Mr. Malcolm Bruce (Gordon): Will the Chancellor acknowledge that, in the seminars, business leaders have argued that productivity is predominantly their responsibility and that the Government's responsibility is to create the climate in which they can compete? The 0.5 per cent. reduction in interest rates announced this morning is welcome, but do we not have to go a lot further down that road before we are competitive in Europe and have a sustainable exchange rate? What policies will the Chancellor pursue to help the Bank of England to deliver interest rates that are much closer to the European average?

Mr. Brown: Of course I welcome the Bank's decision. I think that the hon. Gentleman will agree that the most important thing that the Government can do is to create a long-term framework for monetary and fiscal stability. That is exactly what we have done by making the Bank of England independent, tackling the inflationary pressures in the economy and cutting the fiscal deficit by £20 billion. Of course we must work with business to tackle any barrier to productivity that exists in our economy. That is why we are looking at the future of competition policy and at regulation in some areas, and why we have agreed to look at some aspects of the tax system.

The extra £20 billion that we are to spend on education over the next three years will make a huge difference to our ability not only to give an opportunity to every child and student who wants it, but to deliver an efficient economy. It is a pity, again, that the Conservative party cannot support that.

Mr. David Heathcoat-Amory (Wells): Is the Chancellor aware that, according to his own figures, the additional tax and regulatory burden on British industry will amount to £39 billion over this Parliament? The figure comes from published tax revenues and from compliance cost assessments published by Government Departments. Instead of lecturing British industry about productivity, will the Chancellor do something to reduce the daily burden on its ability to compete in international markets? Will he immediately take steps to repeal regulations and remove the additional burdens before they do more damage to employment? Above all, will he stop blaming British industry for Government failings?

Mr. Brown: The first people to draw attention to the productivity gap in British industry were the previous Government, in the competitiveness White Papers that they published every year, saying that we had to do better.

We have cut corporation tax twice, to 30p, and small business tax twice, to 20p; we have introduced a long-term rate of capital gains tax at 10p; and in the first year we have cut regulations by 30 per cent. from what they were under the Conservative Government. The Conservatives want us to abandon our proposals for a national minimum wage and a working families tax credit. If those things work in America, they can work in Britain.

Jobs and Inflation

3. **Mr. Dennis Skinner** (Bolsover): When he next expects to meet the Governor of the Bank of England to discuss jobs and inflation. [56860]

The Chancellor of the Exchequer (Mr. Gordon Brown): I meet the Governor of the Bank of England regularly. Today's cut in interest rates, which I welcome, follows the global downturn, which the Bank and I agree will lead to more moderate growth next year. The cut is possible because of the tough long-term decisions that we have taken: making the Bank independent, cutting the deficit by £20 billion and getting inflation back on target. In an uncertain world, Britain is steering a course of stability.

Mr. Skinner: Does my right hon. Friend agree that the political climate in which interest rates had to be cut was created by people in the media and in the House, including a little touch and a steer from him over the past couple of weeks? I am sure that he will not want to be complimented on that, but will he tell the Governor of the Bank of England and the Monetary Policy Committee that they are not dealing with an exact science but making a political judgment, and that we, not they, will have to carry the can? What happened today complements what he said in his pre-Budget statement the other day. To ensure that unemployment does not rear its ugly head in the next few months, will he give the Bank another little steer?

Mr. Brown: My hon. Friend will make his own points. We have made the Bank of England independent, and we will support it in all the difficult decisions that it makes. The Bank of England's notice states that the international environment and the prospects for domestic activity have led the committee to make its decision. It is because we have created a long-term system and tackled the inflationary problem that it has been possible for monetary policy to respond to the downturn in the international environment. In the previous downturn, interest rates had to be above 10 per cent. for four years and at 15 per cent. for one year as a result of the failure to tackle inflationary pressures. The former Chancellor said that he was ready to consider independence for the Bank of England, and we are in a better position to make adjustments now because we have created that long-term framework.

Mr. Kenneth Clarke (Rushcliffe): Will the Chancellor say where the long-term monetary strategy exists? In the press briefings that he was giving until a few months ago, he said that the Bank of England should have raised interest rates further and faster than it was doing, but in the press briefings he has given since Washington, he said that the Bank of England should start to reduce interest rates. Will he acknowledge that, when he welcomes the present reduction in interest rates, he does so in the face of the policy-induced slowdown that his errors and those of the Bank has caused, and will he invite the Monetary Policy Committee to be alert to the consequences of worldwide slowdown, which will come on top of the slowdown that he has already put in place?

Mr. Brown: I have always said, and I think that the right hon. and learned Gentleman will accept this, that I

will support the Bank of England in all the difficult decisions that it makes. Having set up a new framework for interest rate policy decision making, we will find that all political parties will come to support it over time.

As for the inflationary pressures in the economy over the past year—I know that the former Chancellor is concerned about his record in the matter—for the six months before the general election, the Bank of England warned every month that interest rates would have to go up to deal with inflationary pressures, but action was not taken. We took action immediately and, because we did so, inflation is at its target.

I am pleased that the former Chancellor is now ready to consider independence for the Bank of England. It is a pity that the rest of the Conservative party has not joined him yet on this, as it has not on other issues. I hope that we will have clarification this afternoon from the shadow Chancellor about the Conservatives' position on the Bank of England, because we did not get clarification yesterday and it is about time we did.

Dr. Desmond Turner (Brighton, Kemptown): Will my right hon. Friend join me in welcoming the interest rate reduction as a great step towards helping to ensure that his cautious growth targets are met, and does he agree that any further reductions would be welcome? I invite my right hon. Friend to speculate about the situation that we might have been in had the former Chancellor's policies been pursued.

Mr. Brown: As everybody now knows, when we came into power, inflation was set to rise to twice that of our competitors. If we had not taken action, we would have been back to the old boom-bust that existed in the British economy. The Opposition should not forget that interest rates were above 10 per cent. for four years, and when it was right to lower interest rates because of the international situation in the early 1990s, the Government of the day were unable to do so. It is because we have created a long-term framework for this country that we are able to reduce interest rates. I hope that, in time, the Opposition will see the wisdom of making the Bank of England independent.

Mr. Francis Maude (Horsham): Is it now clear that not even the Bank of England believes the Chancellor's fantasy forecasts? When will he bring his forecasts in line with the majority of independent economists and begin to take serious policy steps to avoid a rising toll of job losses and business closures?

Mr. Brown: This morning, the shadow Chancellor said:

> "I am afraid that the Chancellor has made it less likely that interest rates will be able to be cut by the amount that is needed by the way he has conducted policy."

That is an example of a Conservative party in search of every soundbite.

In the summer, the right hon. Gentleman said that there was a spending gap, but there is none; we have met our spending ceiling. Then he said that there was a borrowing gap, but the figures show that that is not so. Now he tries to suggest that there is a forecast gap, but the Bank of England and I agree that there will be moderate growth next year, which is why the Bank has acted in the light of what is happening in the international environment. The Bank says in its report that its action is about the international environment and its effect on what happens domestically. It is about time the shadow Chancellor woke up to what is happening around the world. The Conservative party is not living in the real world.

Mr. Maude: We will be ready to welcome what is happening when interest rates come down to the figure at which the Chancellor inherited them. Is it not clear that the outlook for Britain's economy is the worst in the western industrial world, and that Britain has gone into the downturn ahead of north America and Europe? There will be a fearsome toll of job losses, and the blame lies at the Chancellor's door.

Mr. Brown: The facts of the matter are that forecasts for the world economy have been downgraded by 2.4 per cent. for this year, and 1.2 per cent. for next year. The idea that Britain is somehow unique in downgrading its forecast by three quarters of 1 per cent. is ridiculous. It is another example of how out of touch the shadow Chancellor is. I note that he has not corrected his remarks this morning that the Bank of England would have been unable to take the action that was necessary. It is about time that, instead of making comment after comment—later proven to be untrue or incorrect—the shadow Chancellor woke up to the fact that there is a global downturn and that the Government are dealing with it by steering a course of stability. It is also about time that the shadow Chancellor gave us a straight answer on the first issue of economic policy—whether his monetary policy is that the Bank of England remains independent. Until we get a straight answer on his support or otherwise for Bank independence, he will have absolutely no credibility. The real deficit in the United Kingdom is the deficit in Conservative thinking.

Fiona Mactaggart (Slough): Is my right hon. Friend aware that he is being rather generous to the Conservative party in his account of history? He said that interest rates were above 10 per cent. for only four of the years in which the Conservatives were in office. In fact, there were interest rates of more than 10 per cent. for more like three quarters of that time. This morning, I attended a meeting sponsored by the chamber of commerce in Slough, a town in which new industries and businesses are part of the engine of our economy. Is my right hon. Friend aware that, in towns such as Slough, the main anger is not with what he is doing but with the feeling that people are talking business down and making it more difficult for successful companies to export and to do their business well?

Mr. Brown: I agree with my hon. Friend. It is about time that the Conservative party started to support the potential in our country. Welfare to work helps thousands of people, but the Conservatives oppose it.

Working families tax credit will help 1.5 million people, but the Conservatives oppose it. Bank of England independence gives us economic stability, but the Conservatives oppose it. It is time they woke up to the fact that in the modern world we must make the changes that the Labour party is making. We will take no lectures from a shadow Chancellor who was at the Treasury between 1990 and 1992 when interest rates were at

15 per cent., when a million manufacturing jobs were lost, when manufacturing output fell by 7 per cent., when manufacturing investment fell by 15 per cent. and when the borrowing requirement went up to £50 billion. We have taken action. The Conservatives failed.

Mr. Edward Davey (Kingston and Surbiton): When the Chancellor next meets the Governor of the Bank of England will the Chancellor ask him to prepare and publish a report for the House on how he would like to see the Bank of England's independence strengthened? Will the Chancellor ask him for his views on the model of central bank independence contained in the Maastricht treaty—a treaty agreed to and signed on behalf of this country by the shadow Chancellor of the Exchequer?

Mr. Brown: The hon. Gentleman is indeed right. The person who signed the Maastricht treaty on behalf of the British people was none other than the shadow Chancellor when he was Financial Secretary to the Treasury. There should be a welcome from the whole House for his action. As I said yesterday to the hon. Member for Gordon (Mr. Bruce), we are prepared to listen to views about the structure and accountability of the Bank of England. I hope that the hon. Gentleman will agree that the reform announced only a few weeks ago, that the Bank of England would publish its minutes within two weeks of its meeting, is a welcome step forward. This comes back to the central question: unless hon. Members make up their mind, on macro-economic policy and monetary policy in particular, and decide whether or not they support the independence of the Bank of England, they have no credibility in terms of their economic policy. The former Chancellor of the Exchequer is facing up to that fact. The Conservative party and the shadow Chancellor must face up to that now.

Savings Income

4. **Mr. Shaun Woodward** (Witney): What measures he is taking to protect the UK financial services industry from the proposed provisions of the EU directive on the taxation of savings income. [56861]

The Financial Secretary to the Treasury (Dawn Primarolo): The Government are taking an active part in discussions on the draft directive. We have made it clear on a number of occasions that we will not agree to any course of action that would seriously damage the United Kingdom and other European financial markets.

Mr. Woodward: Given that the Government are in such a decisive frame of mind this afternoon and that the Chancellor has spent the entire week lecturing the House about the importance of stability, the opportunity occurs now for the Government to tell the House their proposals on withholding tax. Given the experience of the withholding tax in Germany, the United States and Japan, where serious damage was done to domestic bond markets, and given the report produced for the Corporation of London by Professor Dale, which concludes that the European capital market would suffer a serious capital disadvantage if the tax were imposed, will the Financial Secretary take this opportunity to reassure the City on exactly what the Prime Minister promised he would do, namely, use the veto when that was possible, and tell the House in a moment of decisiveness—yes or no—whether in three weeks' time that veto will be used?

Dawn Primarolo: The report by Professor Richard Dale of Southampton university was reported yesterday in the press. It is a rather limited report. We have now received a copy, and of course we are interested in studying the conclusions. We have made it clear that we would not accept a solution that obliged the United Kingdom to withhold tax, although we would be attracted to action based on the principle of exchange of information—as were the Conservative Government when, in May, June and December 1989, they agreed the conclusions of the Economic and Financial Council, that the way forward was an exchange of information.

Ms Diane Abbott (Hackney, North and Stoke Newington): The Financial Secretary will know that Labour Members are confident that the Government will do everything in their power to protect the financial services industry. She will also be aware that the pensions and salaries scandals of the 1980s revealed many structural problems in the financial services industry, including dependence on bonus-driven sales, the lack of transparency and the lack of training. Does she agree that it would be very wrong to divest swathes of pension and sickness provision to the private pensions industry without doing something about financial services regulation to address the structural problems that the pensions mis-selling revealed?

Dawn Primarolo: The Government are addressing the issues that my hon. Friend has identified through the Financial Services Bill, which my hon. Friend the Economic Secretary will help to steer through the House. The Government are in favour of taking effective international action against tax evasion, which I hope Conservative Members will support. Discussions on the directive are about addressing that issue.

Mr. Nick Gibb (Bognor Regis and Littlehampton): In a written answer last week, the Financial Secretary was robust in rejecting any European Union proposal to harmonise income tax rates. She made it absolutely clear that income tax was firmly a matter for national Governments, and we welcome that. Why was she not prepared to give the same firm undertaking about EU proposals to harmonise corporation tax rates? Will the Government veto any such proposal on corporation tax—yes or no?

Dawn Primarolo: I welcome the hon. Gentleman to the Dispatch Box. The directive on taxation of savings is not about corporation tax rates but about effective ways to prevent avoidance of taxation. He knows that any change requires a unanimous vote. The Government have made it absolutely clear that we intend to maintain for this House decisions on taxation.

Football Clubs

5. **Mr. Bob Russell** (Colchester): If he will introduce a tax redistribution arrangement based on turnover for professional football clubs. [56862]

The Financial Secretary to the Treasury (Dawn Primarolo): The football authorities, which are independent of Government, are best placed to make decisions on the development of football, including the distribution of income within the game. The tax system is not an appropriate mechanism for redistributing funds between football clubs.

Mr. Russell: If Ministers are unaware of the financial apartheid in professional football, they should have a word with the Deputy Prime Minister, who may be able to tell them about the plight of Hull City. The gap between rich and poor football clubs grows by the day. Contrary to what the Minister said, the football authorities have failed to act. Will she give an assurance that the Government will consider measures for a fair redistribution of the huge amount of money in football?

Dawn Primarolo: I understand that the hon. Gentleman supports Colchester, who are currently 20th in the second division, so I suppose that he well knows what it is like to be in the second division. It is not the job of the tax system to redistribute income between clubs; it is the responsibility of the Football Association and the football authorities. The hon. Gentleman should press them to make the changes that he wants.

Mr. Ian Davidson (Glasgow, Pollok): As we are on the subject of taxation and football clubs, will the Government do what they can to ensure that football clubs are not taken over by multinational, tax-avoiding media moguls?

Dawn Primarolo: I know that some people think that the Treasury is all-powerful and commands everything in the country, but my hon. Friend must direct his point to another Department.

Low-income Families

6. **Mr. Malcolm Savidge** (Aberdeen, North): What plans he has to help working families on low incomes. [56863]

The Chancellor of the Exchequer (Mr. Gordon Brown): From April, as a result of abolishing the entry fee to national insurance, all employees will receive a tax cut of more than £1 a week. The working families tax credit will be introduced, guaranteeing a minimum income of at least £190 a week for working families. That will back up the national minimum wage, which will be introduced next April, helping 1.9 million employees.

Mr. Savidge: My right hon. Friend's reply will be widely welcomed, not least in Scotland where 1 million people—one in five of the population—receive less than half the national average income. Does he agree that those people will find new hope in the measures that he outlined and be disgusted that the Tories, who created so much misery and inequality, still oppose those policies, including the working families tax credit?

Mr. Brown: I am grateful to my hon. Friend for reminding us of the challenge of tackling in-work poverty. The national minimum wage will help to do that. It is unfortunate that a policy that was supported by the Sir Winston Churchill and many Conservatives right up to the 1980s cannot be supported by the existing Conservative—*[Interruption.]* It is strange; the Conservatives are now attacking Sir Winston Churchill. I know that they have lost touch with the country. It is hardly surprising that Lady Thatcher has written an article in *Saga Magazine* saying that they have not got a chance of winning the next general election.

Our policies are the minimum wage and the working families tax credit, which cuts the numbers of people who are affected by the marginal tax rate at above 70 per cent. In addition, we are raising child benefit for the first child by the biggest-ever amount. That is another measure that is dealing with the problems of poverty. It is a pity that we cannot have all-party support in those matters.

Mrs. Jacqui Lait (Beckenham): Will the right hon. Gentleman assure me that no individual in a family receiving working families tax credit will pay tax on child benefit?

Mr. Brown: The hon. Lady knows perfectly well that we announced in the Budget a review of that matter. We shall report by the time of the next Budget. As for child benefit, we have made our position clear. Child benefit is paid to every mother. Yesterday, we had some problems with the Conservative party over the policy on pensions. I hope that the Conservatives will be able to say that they support our measures to raise child benefit.

Mr. Peter L. Pike (Burnley): Is it not a fact that the package that my right hon. Friend just referred to, with the national minimum wage and all the other things taken together, is the fairest and best policy initiative that any Government have given to low-paid people this century? The package is welcomed in areas such as mine, where many people have been in poverty and on low pay for many years.

Mr. Brown: I applaud my hon. Friend for being a champion of action on those matters over the many years that he has been in the House of Commons representing his constituents. He is right to say that people will ask the Conservative party whether it would take away from 2 million people a national minimum wage and whether it intends to oppose the working families tax credit. If so, more than 1 million people would have a tax rise under a future Conservative Government. What do the Conservatives intend to do about child benefit, which we support raising? We still have not had answers from the Conservative party.

Economic Cycle

7. **Mr. Desmond Swayne** (New Forest, West): If he will make a statement about the UK's position in the economic cycle relative to that of the rest of the EU. [56864]

The Economic Secretary to the Treasury (Ms Patricia Hewitt): At present, the United Kingdom's business cycle is clearly not convergent with that of the rest of our European partners. However, the United Kingdom's divergence is not a new factor and is in part a legacy of our past susceptibility to boom and bust—the damaging boom of the late 1980s and the recession of the early 1990s, when the shadow Chancellor was a Treasury

Minister, when manufacturing output fell by 7 per cent. and when half a million manufacturing jobs were lost—and the failure to raise interest rates in the run-up to the last general election.

Mr. Swayne: I have always wondered what caused the business cycle. Will the hon. Lady comment on the fact that *The Economist* has pointed out that, since June, forecasts for the British economy have shown that the growth rate is set to fall by 56 per cent., but that, for the corresponding period, growth rates for France will fall by only 14 per cent. and for Germany will fall by 21 per cent? Why is it so much worse here? Has it anything to do with the Chancellor of the Exchequer's policies?

Ms Hewitt: The hon. Gentleman may not understand the basics of the business cycle, but presumably he understands that forecasts for world growth have been slashed as a result of what is going on in the world economy; that this country—*[Interruption.]* Just listen a minute and give the hon. Gentleman a chance to learn. This country is not immune from what is happening in the rest of the world. We have a larger exposure to trade with the rest of the world than most of the continental countries, but if the hon. Gentleman looks at the three-year period starting last year, he will see that, even with our revised growth forecasts for next year, growth in France, Germany and the United Kingdom will be about the same. Perhaps the hon. Gentleman will also recall that unemployment in this country is well below the level in France and Germany.

Dr. George Turner (North-West Norfolk): Does my hon. Friend agree that what matters is not only where we are in the business cycle, but how big the peaks and troughs in that cycle are; and that today's welcome news shows that the peak in interest rates required to control that is at least half of what we had last time? Does she also agree that the next move in interest rates is more likely to be downward, because the world knows that it was a technical, non-party political decision that was taken today?

Ms Hewitt: I am delighted that my hon. Friend welcomes both today's decision and the steps that we have taken to create economic stability. It is the Conservative party that is the party of boom and bust; we are the party of economic stability.

Sir Peter Tapsell (Louth and Horncastle): Do Treasury Ministers agree that, for the British people sensibly to decide whether sustainable economic convergence between the United Kingdom and continental Europe can be achieved and whether economic benefits to this country of a "clear and unambiguous" nature—I am quoting the two criteria mentioned by the Prime Minister yesterday—would flow from joining economic and monetary union, it is extremely important that, as almost all independent economists agree, two complete economic cycles be concluded before any judgment based on those criteria is reached? Do Treasury Ministers agree with that assessment?

Ms Hewitt: I thank the hon. Gentleman for giving us the benefit of a speech that I am sure that he made during the Conservative party's referendum on that issue. We have set out the five economic tests that will enable the Government and the country to decide whether sustainable convergence has been demonstrated. Unlike the Conservative party, we have a policy for monetary and fiscal stability that will enable those tests to be met in future.

Productivity

8. **Ms Sally Keeble** (Northampton, North): If he will make a statement on his policy to promote improvements in the productivity of UK firms. [56865]

12. **Mr. Richard Burden** (Birmingham, Northfield): If he will make a statement about his policy to promote productivity increases in UK firms. [56870]

The Paymaster General (Mr. Geoffrey Robinson): It has been clearly established by the Conservative party that there is a major and fundamental productivity gap between this country and others—our major competitors. It is a gap that we intend to close, in partnership with businesses and companies.

Ms Keeble: My hon. Friend rightly acknowledges the productivity gap between ourselves and our competitors. I am sure that, like me, he understands the fears of some workers, such as those at Barclaycard in Northampton, that the productivity gains needed to maintain a competitive edge might have an impact on job numbers. What can the Government do to mitigate those fears, and what would my hon. Friend say to the Barclaycard employees, most of whom are women?

Mr. Robinson: My hon. Friend will be aware that we have engendered 400,000 jobs since the election and that, in her constituency, unemployment has dropped by 583, which represents a 23 per cent. drop. She will also be aware of the tremendous strides being taken by the welfare-to-work programme: despite the Opposition's position on that programme and their commitment to getting rid of it, we can now say that, through that programme, 30,000 people have gone into jobs. Throughout the country, 150,000 people are in the gateway, and we have partnership agreements with 29,000 companies. Those are the things that I would tell my hon. Friend's constituents, as I am pleased to tell the House today.

Mr. Burden: When we talk about the need for productivity improvements in the motor industry and elsewhere, contrary to what is said in some sections of the media, we are not making any allegations about so-called lazy workers. What we are talking about is essentially four things: first, the need for real partnership between management and work force to achieve productivity improvements; secondly, the need for the companies concerned—Rover and others—to put in the investment necessary for the companies to prosper; thirdly, the need for that process to be given Government backing; and, fourthly, the need for the banks to provide the right financial climate, one that is sensitive to the needs of manufacturing. Does my hon. Friend accept that we in the west midlands welcome today's cut in interest rates, we welcome the announcements on more help for business made by my right hon. Friend the Chancellor in the

pre-Budget statement earlier this week, and we look forward to further action being taken at Rover and elsewhere?

Mr. Robinson: I very much agree with my hon. Friend, and the Government are conscious of the position of Rover, which is in his constituency. We have spoken of the Government bridging the productivity gap in partnership with business, but equally, management, together with the unions and the work force, must make a determined effort to do so. That effort is being made, but a good deal still has to be achieved before we can say that we are reaching the levels of productivity that we see in other countries. We shall do that together, it will need a determined effort, and I am sure that I can count on my hon. Friend to play his important role in that.

Mr. Tim Boswell (Daventry): In spite of the Government's somewhat idiosyncratic interpretation of socialism in one country as the unilateral abolition of boom and bust, does the Minister agree that the experience of his hon. Friends the Members for Northampton, North (Ms Keeble) and for Birmingham, Northfield (Mr. Burden), speaking about Barclaycard and Rover, shows the sad fact that economic downturns tend to mean that productivity increases are interpreted as a loss of jobs? Therefore, will he re-emphasise the message that is coming from Conservative Members to his right hon. and hon. Friend—that they should eschew all the additional tax and regulatory burdens on business, to the tune of £1,500 per worker, that are being imposed? Will he argue with his right hon. and hon. Friends that they must seriously sharpen up their act first?

Mr. Robinson: The only act that really needs sharpening up is the performance of the Opposition's economic team, and, my word, that does need sharpening up.

I am sure that the hon. Gentleman will welcome the 22 per cent. drop in unemployment in his constituency and the 400,000 new jobs that we have created. I agree that we must cut the regulatory burden, and we are intent on doing that. Lord Haskins has embarked on a task force aimed at doing that by looking at building regulations and other matters. The simple fact is that the best contribution that we can make to British business is sustained stability—something that we are well on the way to achieving—and a cut in taxes, which are already the lowest in Europe at 30 per cent., with corporation tax at 20 per cent. That is a significant cut.

Mr. William Ross (East Londonderry): Is it not a fact that agriculture, above all British industries, has shown the most outstanding productivity increases during the past 50 years, yet finds itself in the most dire financial straits today? Given that the Government now intend to do all that they can to help employees on low incomes, what will be done for that industry?

Mr. Robinson: I am aware of last night's debate on that subject, in which the hon. Gentleman spoke. All who know anything about the farming industry know of its fine productivity record, particularly under the proficiency payments systems introduced by the first Labour Government after the war. We are considering those matters and my right hon. Friend the Minister of Agriculture, Fisheries and Food will make a statement to the House in the near future.

Mr. Dale Campbell-Savours (Workington): My hon. Friend will be aware that we are repeatedly being told that productivity levels in Germany are far higher than they are here in the United Kingdom. Why is that? What is so special about the German system that enables Germany to score far higher ratings than we do?

Mr. Robinson: I agree with my hon. Friend. It is puzzling that, in the past century, Germany has continued to outstrip Britain in productivity. Two important points that we can learn from the Germans emerged clearly from the series of seminars that we initiated. The first is that capital investment is much higher in Germany. There is no question about that. The second is that skill levels throughout the work force, from the management at the top right down to the technicians and the shop floor workers, are much higher in Germany, and its education system is geared to provide that. If we learn both those lessons and pool them, we can start closing the gap, and it is Government policy to do so.

Growth Forecasts

9. **Mr. Robert Syms** (Poole): If he will list the assumptions on which his new growth forecasts have been based. [56866]

The Chief Secretary to the Treasury (Mr. Stephen Byers): Full details of the Treasury's new forecasts were published in the pre-Budget report on 3 November. They were based on a number of realistic assumptions.

Mr. Syms: Given the scepticism of the Chancellor's growth forecasts shown by many economic forecasters, is the Chancellor happy for the achievement or not of those forecasts to be the judge and jury of his chancellorship?

Mr. Byers: It is worth examining the average of the independent forecasts for next year, which is 1.1 per cent. The European Union is forecasting growth at 1.3 per cent. We are able to forecast that growth figure because the economy is well placed as a result of the tough decisions that the Government took last year. We have given independence to the Bank of England—we have not heard the shadow Chancellor confirm whether the Conservatives would continue that arrangement—reduced the deficit by £20 billion and ensured that we have strong and robust public finances. That is what we have done, and I think that it is unfortunate that the hon. Gentleman has not acknowledged that, since his election to the House in May last year, unemployment in his constituency has dropped by 32 per cent.

Mr. Jim Cousins (Newcastle upon Tyne, Central): Can the Minister assure me that, built into every one of the Government's forecasts, will be a firm commitment to maintaining social support for pensioners and children—an approach that distinguishes us from the Conservatives?

Mr. Byers: We shall certainly do that. I am sure that my hon. Friend welcomes the news today of the creation

of 500 jobs on Tyneside in the ship repair industry. That is good news for both our constituencies.

I can assure my hon. Friend about the Government's commitment to benefits and to social infrastructure, but the Conservative party cannot do the same. Yesterday, the Opposition announced no clear policy on pensions and their uprating and, today, they refused to confirm whether child benefit would be safe in their hands. The Opposition are prepared to talk down our economy, ignoring its underlying strengths. There are 400,000 more people in work compared with May last year and we are tackling the budget deficit and ensuring that inflation is at its target. The Opposition are prepared to talk down our economy but will not give clear answers to simple questions. They are not a credible Opposition, but a shambles of an Opposition.

Mr. John Whittingdale (Maldon and East Chelmsford): On Tuesday, the Chancellor described his growth forecasts as "prudent" and "cautious". Today, the Chief Secretary has said that they are "realistic". Why, then, is it almost impossible today to find a single independent forecaster who agrees with them? Will the Minister explain why the Chancellor is almost alone in upgrading his growth forecasts for the year after next? Will he give an assurance that the Chancellor will not be forced to return to the House in a few months to admit that, once again, he got it wrong?

Mr. Byers: Most independent forecasters—out of the 45 consulted—anticipate growth next year to average 1.1 per cent. The most effective forecast for two years' time from the National Institute of Economic and Social Research, which was published last week, is in line with the figures produced in the pre-Budget report. They are the facts; they are not fantasy. Another fact is that, when the shadow Chancellor was a Treasury Minister, inflation was at 10 per cent. and interest rates were at 15 per cent. They are not fantasy figures. They are real figures and, as a result, more than 1 million people lost their jobs.

Pensions Mis-selling

10. **Mr. Laurence Robertson** (Tewkesbury): What discussions he has had with representatives of independent financial advisers regarding the investigations into the selling of pensions during the 1980s. [56868]

The Economic Secretary to the Treasury (Ms Patricia Hewitt): As the hon. Gentleman will recall from the debate earlier this week, I am well aware of the concerns of the Independent Financial Advisers Association about phase 2 of the pensions review. The hon. Gentleman and many other hon. Members have registered those concerns with me. I shall be meeting representatives of the IFA Association later this month.

Mr. Robertson: Is the Minister also aware of the Personal Investment Authority ombudsman's practice of charging IFAs £500 every time a complaint regarding pensions or other financial services products is made against them? Even if the complaint is not upheld—if it is found to be frivolous and thrown out—the company cannot claim back that £500: That is surely not natural justice.

Ms Hewitt: I am sure that the hon. Gentleman shares my belief that we need a high-quality IFA sector that customers can trust. An effective regulatory regime, including an ombudsman system to which consumers can take their complaints, is part of that sector. Of course it is right that the industry as a whole should cover the costs of that regime, because it stands to benefit from it.

Mr. Gerald Bermingham (St. Helens, South): Might it not be helpful if the pensions industry examined its own codes of practice? A constituent recently complained to me that, before his endowment policy was due to be paid, independent financial advisers seemed to know that he was due for some money. Is that not yet another instance of pension companies selling on the names of people who are beneficiaries?

Ms Hewitt: I share my hon. Friend's concern about such a practice. Despite the welcome progress that has been made, particularly by the large firms, in putting right the scandal of personal pensions mis-selling, the financial services industry still has some way to go before we reach the standards that all of us have a right to expect.

Dr. Vincent Cable (Twickenham): What steps is the Minister taking to ensure that the burden of the mis-selling scandal is borne by the shareholders of insurance and pension companies, rather than by other policyholders in those companies?

Ms Hewitt: As the hon. Gentleman knows, from the beginning of our action on the personal pensions mis-selling scandal, we have taken the view that the costs of putting matters right should be shared by all those who stood to benefit from it. Therefore, where with-profits policyholders have shared in the growth in their fund, the costs should be shared in the normal proportion—90:10. We are keeping a close eye on the allocation of the costs of the pensions review, and of course we shall intervene, if necessary, to protect policyholders' reasonable expectations.

Mr. Nick St. Aubyn (Guildford): Given the Minister's statement earlier this week that compensation under phase 2 should be calculated on present market conditions, does she agree that, in order to take account of market conditions, the Financial Services Authority should raise the compensation cap, which has not been raised for 10 years, in cases where the IFA is not able to make the compensation?

Ms Hewitt: The hon. Gentleman raises an important point. As I stressed in the debate on Tuesday, we have put in place a system for calculating any loss that may arise from mis-selling at the time, on the basis that has been advised by senior actuaries, and that would be applied in the courts. I shall write to the hon. Gentleman in more detail on the specific point that he raises.

Monetary Policy

11. **Mr. Ivor Caplin** (Hove): What assessment he has made of the effectiveness of his reforms to the monetary policy framework on meeting the inflation target. [56869]

The Economic Secretary to the Treasury (Ms Patricia Hewitt): The new framework has been successful in reducing inflation and inflation expectations close to the target level, and has led to long-term interest rates falling to their lowest levels for 35 years.

Mr. Caplin: My hon. Friend may be aware that, last night, the shadow Chief Secretary to the Treasury refused to debate with me in interventions those important points about the framework. Is it not a fact that, in the 12 months leading up to the general election, the Conservative Government managed to meet the inflation target just once, and that the long-term stability and framework that we have put in place will take Britain forward?

Ms Hewitt: My hon. Friend is right. As we saw over and over again last night, the Conservatives cannot or will not tell us what they would do about the Bank of England and about the monetary framework that we have put in place, which has brought interest rates to their lowest level for 35 years.

Mr. Ian Bruce (South Dorset): I am sure that, even before she became a Member of Parliament, the hon. Lady will have followed the debate about the independence of the Bank of England. We were all told that the one plus that would result was that real interest rates—the difference between the rate of inflation and the interest being paid—would go down. Since the independence of the Bank of England, people have been paying three times the rate of inflation. Why? Can the hon. Lady explain that to the House?

Ms Hewitt: As I just said, long-term interest rates are at their lowest level for 35 years. It was the Government whom the hon. Gentleman supported who, for short-term party political reasons before the last general election, failed to take the necessary action to stem inflationary pressures. This Government will take no lectures on interest rates from a Government who were responsible for interest rates of 10 per cent. for four consecutive years, and of 15 per cent. for 12 months. I remember, as do my constituents, what that did to our mortgage rates. We will not take lessons from the Conservatives.

Small and Medium Enterprises

13. **Mrs. Louise Ellman** (Liverpool, Riverside): What plans he has to introduce tax and fiscal measures to encourage investment in small and medium enterprises in the regions. [56871]

The Financial Secretary to the Treasury (Dawn Primarolo): The Government are examining how best to develop an environment which encourages investment and growth in enterprising small and medium businesses.

Mrs. Ellman: Will my hon. Friend back the channelling of support for small and medium enterprises through the regional development agencies so that regions such as the north-west, and particularly Merseyside within the north-west, can improve their rates of small and medium business formation and success?

Dawn Primarolo: I can confirm that the regional development agencies, starting from next April, will have to draw up regional and economic strategies, which will cover encouraging investment and innovation. They will, of course, address themselves to small and medium businesses.

Mr. John Bercow (Buckingham): If the Financial Secretary wants to encourage investment in small and medium enterprises in the regions of the United Kingdom, why is it that she is not prepared flatly to condemn the £40 billion additional tax and regulatory cost put upon those enterprises in the lifetime of this Parliament, a policy that the Confederation of British Industry, the Institute of Directors, the Federation of Small Businesses and the Forum of Private Business are united in condemning?

Dawn Primarolo: We just need to remind the hon. Gentleman that it is this Government who have cut the small business rate for corporation tax; abolished advance corporation tax, giving small and medium companies £1 billion in cash-flow benefits; enhanced venture capital reliefs; and increased the taper on business assets to help entrepreneurs. As a result, unemployment in the hon. Gentleman's constituency has been reduced by 28 per cent., but he does not have the good grace to say that.

Children's Safeguards Review

3.31 pm

The Secretary of State for Health (Mr. Frank Dobson): In November last year the Government published the Utting report, which reviewed the safeguards for children in care. In my statement to the House, I made clear that the report painted a woeful picture of failure. Many children who had been "taken into care" to protect and help them had received neither protection nor help. Instead they had been abused and molested. Many more had been let down, never given the attention that they needed, shifted from place to place, school to school, and often simply turned out to fend for themselves when they turned 16.

That catalogue of events was not just a failure by the care staff directly concerned. It was a failure by social services managers, by councils, councillors, the police, the court system, schools, voluntary organisations, neighbours, the news media, the Government's social services inspectorate, Government Departments, Ministers and Parliament. Some people from all those institutions and in all those categories had worked hard to do a good job for those children, but too many had not and the whole system had failed.

Last November, I reported to the House that my right hon. Friend the Prime Minister had asked me to lead a ministerial task force to draw up the Government's response to the report. The task force involved Ministers from 10 Government Departments, together with outside representatives from social services, education, the police and the voluntary sector. It also included a young women who had recently been through the care system. She made some most valuable contributions to our deliberations and provided salutary reminders of the real world in which some children are being expected to grow up. I am grateful to her and all the other members of the task force for their positive contributions to the work of developing a comprehensive and practical set of measures.

In July this year, the Select Committee on Health strongly endorsed the need for action. Its report covered some aspects that were not the subject of the Utting report. The Government will make a full response to the Select Committee after the publication of our White Paper on social services.

Today I am publishing the task force's report, which sets out the practical measures that we have proposed and which the Government have accepted. We want to ensure that in future, children in care are looked after properly and get a decent start in life. We started by recognising that, if the whole system had failed those children, the whole system had to be put right. Tinkering with a few aspects was not enough.

Throughout our deliberations I asked everybody involved to look at the matter from the point of view of the children and to ask whether the care provided would have been good enough for them when they were children, and whether it would be good enough for their own children. That is what the task force has tried to do. As a result, our proposals are intended to ensure that those responsible, at any level, for children in care behave towards them as any good parent tries to behave towards his or her children.

With that in mind, the Government are implementing the task force's recommendations. We have already launched a three-year programme in the document entitled, "Quality Protects". Its job is to transform the care system for children by setting clear objectives and targets, putting action plans in place, and measuring whether those targets have been met. It also provides new guidance to strengthen the hand of conscientious elected local councillors. That will call for joined-up government—all Government Departments, local authorities, the court system, schools, the police and voluntary organisations working together towards a common goal, with clear targets and a demanding timetable. There can be no more excuses.

All those measures cannot be undertaken for nothing, so I can announce today that we are establishing a new children's services grant, which will provide an extra £375 million over the next three years to help fund the necessary improvements.

To stop potential child abusers working with children, we are establishing a new criminal records agency to improve and widen access to police checks on people wishing to work with children. It is a first step towards a "one-stop shop" that can give employers access to police records and the separate lists kept by the Department for Education and Employment and the Department of Health. The present system is a confusing mess that denies the children concerned elementary protection.

The present law provides that councils have a duty to children while they are in care up to the age of 16 and a discretionary power to help them up to the age of 18 when they leave care. As a result, some unfortunate children are turned out at the age of 16 with little or no help afterwards. That cannot be right.

In order that the task force could consider the question of when young people should leave care, and how they should be helped when they do, I insisted that my officials produce a paper spelling out what parents usually provide for members of an ordinary family between the ages of 16 and 18 or 21. May I ask hon. Members to think for a minute about when they were between 16 and 21, or what they did or are doing for their children in that age group? Now may I ask them to think about having to do without any of that: no home to live in or return to; no shoulder to cry on; no encouragement to do school or college work; no morale-boosting chat before an interview, nor anyone to console us if it went wrong; nobody to give us a lift, make us a meal or, if we are a bit older, take us out for a drink; nowhere to get our washing done for nothing; no mother or father to touch for a tenner when we are skint. The list is endless, and it is a disgrace. It is simply wrong and the Government are going to change it.

We will change the law to extend the duty of care for those young people from 16 to 18, and ensure that councils' responsibilities for children up to the age of 18 and beyond correspond more closely with those accepted by any good parent. That includes trying to keep in touch with children once they have left home.

We are taking steps to ensure better school attendance by children in care and setting targets so that they achieve more at school than they do at present. We are taking steps and setting targets to reduce the number of children exposed to a succession of placements every year and to ensure that those placements are more suitable. We are taking action to increase the number of foster parents through new recruitment campaigns. We shall also increase the skills of foster parents by providing new funds for training and establishing a code of practice and

national standards for foster care. We propose to bring all children's homes—whatever their size—and residential schools and independent fostering agencies within a new and more effective regulatory system, with simpler and faster action against schools and children's homes with unacceptable standards.

We are taking steps to monitor and safeguard better the welfare of children in hospitals, nursing homes and hospices and improve the health of children in care, including their mental health. We are changing local government law and practice to bring about across-the-board improvements in services for children in care or with special needs. In future, the whole local authority will have to accept its responsibilities for supporting the children.

The voice of the children involved has been ignored for too long. We will improve the arrangements for whistleblowing and fund a new group to provide a national voice for children in care and those formerly in care. We are taking steps to ensure that children in court as witnesses get better protection, and children who are detained are kept separate from adults.

These are just some of the major measures that the Government are starting to put in place. Many others are set out in the detailed report. It will take time to thrash out the detail of some, and others will depend on the availability of parliamentary time. However, action is under way.

The task force report covers England and Wales, and my right hon. Friend the Secretary of State for Wales shares my commitment to its implementation. My right hon. Friend the Secretary of State for Scotland is today publishing a separate response to the Kent report, which covered the same issues in Scotland.

Finally, I should like to make it clear that many dedicated people are doing a good job looking after vulnerable people living away from home. It is never an easy task and we owe them our thanks. However, that is not all we owe them. We owe it to them and to all the children in care to root out and punish the wrongdoers and to put in place a system which really cares for children in care.

Vulnerable children are the responsibility of us all. In the past, the whole system has failed. We intend to make sure that, in future, the whole system delivers.

Mr. Philip Hammond (Runnymede and Weybridge): I thank the Secretary of State for his statement and for his courtesy in supplying me with an advance copy of it. However, I was disappointed—as you will be, Madam Speaker—to have read the details of the Secretary of State's statement in the *Evening Standard* this lunchtime. That shows, once again, the contempt in which the Government hold the House of Commons.

Anyone who has read the Utting report, or reports of other inquiries into child abuse, will have shared a sense of horror at the nature and extent of the abuse which has undoubtedly taken place. It is for this reason that the previous Government set up the review under Sir William Utting into safeguards for children living away from home, the excellent work of which forms the basis of the Government's proposals.

At the time of the publication of the Utting report, my hon. Friend the Member for Stratford-on-Avon (Mr. Maples)—the then shadow Secretary of State for Health—confirmed the Opposition's support for the Government in carrying forward the process of implementation of the report's recommendations. We shall continue to support the Government in their efforts to ensure the safety of children living away from home.

However, there are a number of issues that arise from the Secretary of State's statement, and I would be grateful if he could clarify the following points. Is the £375 million of children's services grant that he announced really extra money, over and above the existing funding for social services? Can he confirm that there will be no corresponding reduction in social services standard spending assessments in the revenue support grant settlement?

If the money is not to be funded by a reduction in revenue support grant, can he confirm that this is genuinely new money, or is it simply an allocation of money that has been announced in the comprehensive spending review? While the Opposition support the need for national standards to protect the safety of children living away from home, can the Secretary of State confirm that local authorities will retain the autonomy to develop service provision in accordance with local needs?

Local councillors are to be held responsible for the quality of services delivered—rightly, in my view. However, with that responsibility must go the right—within a framework of national standards to ensure the safety of children—to exercise discretion over service delivery in meeting the targets set by the Secretary of State.

Can the Secretary of State confirm that the Government have now abandoned the Utting recommendation for a legislative definition of parental rights and responsibilities? The report stated that the issue was to be reviewed by the Home Secretary, but the recent Green Paper on the family makes no mention of any such proposal.

Will the Secretary of State's "new and more effective regulatory system" be dedicated to children's services, or will it be broader and more all-encompassing, as suggested by the leaks of the social services White Paper? Can the right hon. Gentleman confirm that the inspection system will be nationally based? In view of the right hon. Gentleman's statement that "the whole local authority" will have to accept responsibility for failures in children's services, will he use his influence and authority to persuade the responsible Labour councillors in the London borough of Ealing and in Coventry, where there have recently been serious failures in children's services, to do the decent thing?

Let me again emphasise our support for the Government's objectives in implementing most of the recommendations of the Utting report. The vast majority of people who work with children living away from home are dedicated, loyal and trustworthy, but every Member of Parliament will support measures attempting to weed out the tiny minority who represent a threat to the safety of those vulnerable children.

Mr. Dobson: I thank the hon. Member for Runnymede and Weybridge (Mr. Hammond) for his thoughtful response to, and welcome for, our proposals.

The £375 million to be provided over the next three years is extra money. Of course it was included in the sums that we announced after the comprehensive

[Mr. Dobson]

spending review. [HON. MEMBERS: "Ah"] Do not start mocking. The money is available because, when we were conducting the comprehensive spending review, we recognised that extra funds would be necessary, and, as far as I know, they are being welcomed by all concerned apart from the Conservative party.

I am a strong supporter of local government and local autonomy. That is one of the reasons why, as I said, we have already issued new guidance to help conscientious councillors to do their job better in relation to children in care. In view of the general performance of councils over the years, however, we need to take a fairly leery look at anyone who says, "We want to do things this way, or that way" on grounds of local autonomy. There will be national standards, and people will be expected to meet them.

As for the definition of parental rights and responsibilities, what the task force has tried to do—partly because of my psychological predilection in that direction—is come up with practical measures, rather than exceedingly theoretical considerations. I suspect that we could devote two or three years to those, without necessarily getting much further.

The regulatory system will be national, although it may be delivered on a regional basis.

The hon. Gentleman asked about the "whole authority". He descended into bathos by singling out Labour local authorities where things have been going wrong in regard to children in care. I shall not descend to his level by coming up with a list of Tory authorities where things have gone wrong. The burden of the Utting report, of the task force's consideration and of my statement is that everyone has been at fault, including Members of Parliament. It is not just the fault of local authorities; it is the fault of people in management, of the police, of people running the courts, of neighbours who did not bother to report what they saw going on, of councils, of councillors, of Ministers and Government officials. We have all let these children down, whatever our political persuasion. We should be ashamed of our record and we should start doing something about it and not try to use this opportunity to make stupid party political points.

Mrs. Llin Golding (Newcastle-under-Lyme): If it was in order to cheer, I would cheer this report very loudly. At long last something will be done to protect these vulnerable children and I thank my right hon. Friend very much for the work that he is to do. He said that abuse is continuing and that it is a problem that we all have to work towards preventing. Will my right hon. Friend look again at the appointment of a children's commissioner to lead this long-awaited campaign?

Mr. Dobson: I thank my hon. Friend for her welcome for what we have done. I pay tribute to her because, whatever the shortcomings of the rest of us, she has devoted a great deal of her parliamentary time and effort to trying to draw to the attention of the rest of us the circumstances in which so many children were being mistreated and let down by the care system. I will agree to look further at her suggestion for a children's commissioner as long as she does not interpret that as a promise to definitely agree to it. I will look at it again because, when someone has campaigned so consistently and effectively, and for as long as my hon. Friend, she is entitled to be listened to.

Mr. Paul Burstow (Sutton and Cheam): I thank the Secretary of State for his statement and for granting me the opportunity to look at it in advance. Liberal Democrats support the proposals outlined in the statement and those we have managed to study in the detailed document that accompanied it. We would like to acknowledge the way in which the Secretary of State recognises that the failures that have undoubtedly occurred in the system are not the sole responsibility of any one institution or individual, but are systemic and need to be recognised as such.

One of the issues I did not hear mentioned in the statement was how the Government propose to reduce the number of children aged 15 or under who are currently held in prison establishments. It is a national scandal that more than 200 children are currently being held in such institutions. The Utting report made it clear that that was a serious failure of public policy. I wonder how the Secretary of State's proposals will help them.

Can the Secretary of State confirm that the £180 million earmarked for the year 2001-02 will become core funding to sustain the improvements that we all hope that funding will produce? Can the Secretary of State tell us whether the statement or the detailed document go on to develop the issue of training for staff? There were welcome comments about training for foster carers, but can he make it clear whether we will see additional resources being used to raise standards of training for residential care workers? In addition, in order to retain those residential care workers, there needs to be recognition of the fact that we will need to look at pay and conditions. Can the Secretary of State tell us whether he has plans to give legal protection to staff who choose and need to blow the whistle about abuse of which they become aware? Does the Secretary of State accept that there is a developing crisis in the recruitment and retention of foster carers, which could undermine many of the laudable proposals contained in his statement today?

We welcome the statement and the additional resources, whether they are contained in the comprehensive spending review or are new money, but we want to be assured that those resources will produce the results that the Secretary of State has described.

Mr. Dobson: I welcome the welcome that the Liberal Democrat representative has given to our proposals. When he has had an opportunity to read the report in detail, he will see that it is our intention to address the number of children and young people who are imprisoned to try to ensure that they are not mixed with adults, which is a veritable invitation to the interests of child molesters. Children in care amount to less than less than half of 1 per cent. of the population, but make up 22 per cent. of the prison population and nearly 40 per cent. of the number of young people in prison, which is a measure of how unsuccessful the care system has been.

The hon. Gentleman mentioned funding. The £375 million is additional funding and will be spent on the specific task of looking after children better. There are proposals to improve staff training, but I have always been disappointed when reports on terrible incidents in the

social services make more training for the staff their first recommendation. A bit of decent management and the exercising of common sense should probably be item one, but I accept that more training is needed and, as we spelt out in "Quality Protects", we intend to provide it. We also intend to make life easier for anyone who blows the whistle on anything that is going wrong, whether that person is a member of staff, the child concerned or another child in the institution.

Mr. David Hinchliffe (Wakefield): I warmly welcome my right hon. Friend's deep personal commitment to this subject and his announcement today, and I thank him and those in other Departments for the steps that have already been taken. As he knows, during both the previous Parliament and this Parliament, the Health Committee has considered in detail the issue of looked-after children. Members of the Committee have been particularly struck by the fact that children in care lack a voice—someone to speak out for them or to whom they can turn. The abuse that has, sadly, taken place is a result of that lack of a voice.

The Committee strongly recommended establishing a system for a local voice; my right hon. Friend referred to that, but I should like to hear more about it. I strongly endorse the comments of my hon. Friend the Member for Newcastle-under-Lyme (Mrs. Golding) about the need for a children's rights commissioner, which was, until recently, Labour party policy—I know that because I wrote the policy document.

I warmly welcome the children's services grant, but will my right hon. Friend look at the one failure of the Children Act 1989? We have not been able to make the Act's preventive measures work, but if we prevent the problems that the care system has to deal with, children will not need to be in care. How will the new grant system enable local authorities to carry out the preventive work that is, at the moment, so lacking?

Mr. Dobson: I thank my hon. Friend for his kind comments. We intend to establish a national unit to provide a voice for children in care and for children formerly in care. We are considering various ways in which to assist the whistleblowing process in each locality, as a national voice will not be of much help if children cannot make it speak for them. We would welcome the Select Committee's views on how best to proceed—I note my hon. Friend's support for a children's rights commissioner.

We want the children's services grant to be used to prevent children from coming into care in the first place. Many of the actions that have to be taken are not necessarily the responsibility of the social services department; they may be the responsibility of other parts of the council's organisation. That is one reason why we will legislate to ensure that responsibilities fall across the board in local authorities, not only to individual departments.

Mrs. Virginia Bottomley (South-West Surrey): Long-term admirers of Bill Utting's work will recognise that the problem is serious and intractable. I welcome the effort to restore the equivalent of the National Association for Young People in Care. Does the Secretary of State intend to use a telephone service, such as Childline, to assist in encouraging young people to get their voice heard?

Many of the children are troubled and troublesome, and in great need of child mental health services. Does the Secretary of State plan to provide any encouragement for the availability and development of child mental health services? The young people are often costly to care for, and some cost shunting goes on, with referrals between special education, children's homes and prison institutions. I am pleased that he gathered together Ministers from different Departments on his group; are there to be any financial mechanisms to discourage perverse recommendations being made on the basis of the Departments' financial interest rather than the children's needs?

Mr. Dobson: I thank the right hon. Lady for her comments. Certainly, Childline fulfils a function, and we will want to continue to promote that, but it has been in existence for some time and it clearly does not work for all the children. It is a valuable service, but its provision needs to be augmented, as otherwise we would not have all the current problems.

We will shortly make a statement on mental health services. I am not a person who leaks anything to anyone at any time, but I can safely predict—

Mr. Patrick Nicholls (Teignbridge): Who is leaking, then?

Mr. Dobson: If the hon. Gentleman can help me to track down the person who is leaking from the Department of Health, I will get that person sacked.

We are talking about the serious matter of children's mental health. I can safely predict that we will make a substantial effort to ensure that the mental health of all children gets more attention than it does under the present system, and especially that we concentrate on children in care, because recent estimates suggest that about two thirds of all such children suffer from some degree of mental health problems, compared with 4 per cent. of all other children of the same age.

The right hon. Member for South-West Surrey (Mrs. Bottomley) mentioned the problem of various Departments shuttling children from one budget head to another, because the people making the decisions do not give a damn about the body of the child that goes with the budget head that they are concerned about. I am determined to put a stop to that, and I think that our proposals will achieve that. If people still want to behave in that way, I suggest that they seek employment that does not involve any responsibility for children.

Mr. Hilton Dawson (Lancaster and Wyre): I commend my right hon. Friend for providing the extra cash and making a commitment to the reform of the whole care system. How will the extra money help to address the central absurdity of the care system: the fact that a large proportion of staff working in residential care are completely unqualified for such a vital and complex task? How much of the money will go to help the funding of foster care, to ensure that foster carers receive money commensurate with abilities and training and are adequately supported?

May I be the third person today to say that children's rights are fundamental to the whole process and that we absolutely need a children's rights commissioner to ensure

[Mr. Hilton Dawson]

that the scandals of the past are put well behind us? My right hon. Friend rightly celebrates the achievements of one young person in care who has made a major contribution to that work, and he makes the commitment that local authorities should act as good parents to all children. Does my right hon. Friend look forward to the day when we can celebrate the achievements of all children in care?

Mr. Dobson: Again, I thank my hon. Friend for his points and I know that he draws on considerable professional knowledge and experience of the subject. He is right to say that many people who look after children in care have no qualifications. One of the problems is a by-product of the constant assertion that care in the community is superior to care in an institution, however large or small, which has meant that the prospect of working in a residential setting has become less professionally attractive. As we said when we launched "Quality Protects", we want to increase the number of foster carers, provide better training for them, and give them whatever encouragements are necessary to improve the service they provide. Most of them do a very good job already.

Mr. Andrew Lansley (South Cambridgeshire): I thank the Secretary of State for his statement and commend to him the report of the Health Committee. Like Sir William Utting in his report, the Committee considered the safeguards for children looked after by local authorities and the need for them to give children the same support as a parent would. On that theme, I have two points to put to the Secretary of State. First, he will know that many problems stem from the impermanency of the arrangements for many children. Even when placements are sustained, there can be rapid changes in staffing caused by the relative professional unattractiveness of residential social work. Will he consider a residential child care initiative for training and the need to adapt training for residential social workers so that it becomes an explicit professional expertise with its own recognised and specific training? Having rooted out abuse, we must recognise and value those who continue to work successfully in the system.

Secondly, the Secretary of State will know that adoption can be the most appropriate mechanism for providing children with a home like that enjoyed by most children. Will he introduce adoption legislation to remove many of the impediments to successful adoption?

Mr. Dobson: The hon. Gentleman has referred to the Health Committee's report and I contemplated whether the task force should consider it as well as the Utting report. The Committee's report covered a wider range of issues than Utting and I felt it was better to deal with those aspects separately. I hope that the hon. Gentleman will be satisfied with our proposals when we respond to the Select Committee's report and produce the social services White Paper. He is right to draw attention to the problem of unsatisfactory short-term placements for children, which are disturbing and damaging to the children's mental and physical health and their prospects. As we said in "Quality Protects", we intend to improve training and to set more demanding targets for local authorities so that they pay more attention to the standard and appropriateness of placements and to reducing their number.

Adoption, where it works, works very well indeed in providing a wonderful family life for the children concerned. One reason why it succeeds is that there is, rightly, a severe vetting process to ensure that the child is suitable for the adoptive parents, and that the parents are suitable for the children. The law does need sorting out, but we must be careful about that. Some people—not, I am sure the hon. Gentleman—seem to think that some of the restraints on adoption should be dispensed with entirely. Those constraints exist for the protection of children, and that is right.

Mr. Joe Ashton (Bassetlaw): My right hon. Friend is to be congratulated on the immense steps that he has taken in acting on the Utting report. However, he has not mentioned the fact that the number of prosecutions for child abuse is dropping. In the past two or three years the figures have fallen by probably 50 per cent. The Utting report said that schools feared prosecutions because of the shame, the headlines and the bad publicity that result. Councils also fear prosecuting abusers because of legal costs and insurance payments. There is often a tacit agreement that abusers should simply be dismissed—they can then move on elsewhere. Despite list 99 and the other safeguards, the BBC 2 education programme, "Just One Chance", claims that 1,000 abuse suspects are probably still teaching.

Would it not be a good idea to have a children's commissioner who could take decisions on whether to prosecute, as my hon. Friend the Member for Newcastle-under-Lyme (Mrs. Golding) has said? If decisions on whether to prosecute are left with schools or councils, prosecutions will dwindle to nothing. In addition, lawyers drag cases out, and our court procedures need to be examined. The decision on whether to prosecute must be taken from local councils and schools or the problem will simply be swept under the carpet.

Mr. Dobson: As ever, my hon. Friend makes an important point. The number of prosecutions has gone down, and successful prosecutions have fallen even faster. That seems strange at a time when more and more attention is paid to and public horror expressed at the idea that some pervert may be molesting children. However, when cases come to court, the courts are less likely than they were a few years ago to find the people charged guilty. We clearly need to examine the system to find out what is going wrong.

As my hon. Friend has said, one problem is that for the sake of not damaging the reputation of their school, institution or council, and to avoid all the bother and expense of prosecuting, employers frequently let the abusers move on. That stops them molesting local children, but it leaves them to molest children elsewhere. We have to put a stop to that, and we are considering what we can do. I am prepared to consider the concept of a children's commissioner and the possibility of a prosecuting role for such an office.

Rev. Martin Smyth (Belfast, South): I welcome the compassion that the Secretary of State showed as he presented the report. I also welcome his tribute to Sir William Utting. We all recognise our debt to

Sir William, although some of us are still waiting for implementation of an earlier recommendation for a council for social work. In implementing the report, will the Secretary of State bear in mind that some conscientious and hard-working social workers may have extra pressures placed on them, which their middle management will do nothing about? The Secretary of State for Northern Ireland was not mentioned in the Secretary of State's statement, but may I take it that the statement also applies to Northern Ireland where abuse is as prevalent as it is here? Finally, will the Secretary of State join me in welcoming Tuesday's launch by his erstwhile colleague, now the Minister of State for the Home Department, the hon. Member for Brent, South (Mr. Boateng), of the remand foster care experiment in Reading? I hope that that experiment, pioneered by the care movement, will spread throughout the nation.

Mr. Dobson: At the risk of being accused of leaking from a document that I shall eventually produce, let me say that the hon. Gentleman can rest assured that the proposals for a council for social work will ultimately be forthcoming. As far as I know, my right hon. Friend the Secretary of State for Northern Ireland will seek to extend the principles behind what we have been talking about today to Northern Ireland although, as I am sure the hon. Gentleman would be the first to say, certain aspects may need adjustment to meet the particular circumstances there. I welcome the hon. Gentleman's kind words about my former ministerial colleague, my hon. Friend the Member for Brent, South (Mr. Boateng), which give me an opportunity to pay tribute to him for the enormous amount of work he has done in this sphere generally and as a member of the task force towards the production of our report. I thank the hon. Gentleman for what he said about my hon. Friend and I have tried to trump him.

Ms Julia Drown (South Swindon): I remember a child who had been in care talking to the Select Committee on Health. He realised that he fitted into the category of a child looked after by a local authority but said that "looked after" was the last thing he felt he had experienced. I am sure that he, like me, would welcome the Secretary of State's comments today and the great moves forward that have been announced. In particular, I welcome the extension of care to children over the age of 16 and the funds for local authorities to improve the services for looked-after children.

The Select Committee picked up on the lack of streamlined checks available for social services and other employers to look at, so I welcome too the change on that to ensure that those who are working with children are not potential abusers. Do the Government accept that local authorities need to have surplus places if children who are to be looked after are to have real choices? Sometimes it is uncomfortable for a Government to say that their target is to have surplus places, but that must be recognised if there is to be real choice. Will my right hon. Friend continue to encourage independent visiting schemes for children looked after by local authorities, who for one reason or another cannot relate to their social worker? It is important for them to have somebody who will befriend and stand up for them and be an independent voice to represent them as they move through their life and make choices.

Mr. Dobson: I thank my hon. Friend for her kind welcome for our proposals. I welcome the continuation and, indeed, development of independent visiting schemes. I accept on behalf of the Government her good point about surplus places. A problem that faces councils when placing children, possibly with particular difficulties or who may not be particularly appealing to a possible foster parent or even people running a small home, is that if they have no choice because there are no surplus places, they end up knowingly placing a child somewhere that is less than suitable. Therefore, there must be a surplus of places; otherwise, there is no choice and even the best-intentioned, best-informed social work staff cannot implement their professional judgment, but have to send children somewhere unsatisfactory.

Dr. Peter Brand (Isle of Wight): May I congratulate the Government on a comprehensive response to Utting and in particular welcome the establishment of a central register that can be consulted by people concerned about the welfare of children? For some time I have been concerned about the welfare of young foreign visitors to this country. I note with interest that the paper suggests setting up a code of practice. A code of practice is no use if it does not require those organisations to consult the very register that the Government are setting up. Will the code be voluntary or will it have some teeth?

Mr. Dobson: I thank the hon. Gentleman for his general welcome for what we are doing. Our ultimate intention is that consulting the register should be mandatory for employers, but it will take some time before we can get to that position. There are all sorts of quite difficult ethical and other considerations to bear in mind before we can fully put in place the system that we all want.

Mr. John Gunnell (Morley and Rothwell): Like other members of the Health Select Committee, I very much welcome the Secretary of State's report. He has noted that the educational standards reached by children in care, as the Committee said, are appallingly low. What discussions has he had with the Secretary of State for Education and Employment about the mechanisms used to raise standards? Will joint advice be given to local authorities so that they can act in a corporate way in making relevant decisions? The Committee found that stigma was attached in school to children in care. Will he and the Secretary of State for Education and Employment consider ways of making contact with children more sensitive while in school so that such stigma is not attached?

Mr. Dobson: As a member of the Select Committee, my hon. Friend has been heavily involved in these matters. He knows that the system does not get some children to first base. Roughly speaking, on any given day, one in four of the children in care who should be in school are not. There is not much hope of them doing well if they are not attending. It must be one of the first, basic requirements of the system that education departments, social services departments and the people responsible for where the children live work together to get the children to school in the first place. I have had discussions with members of the team of my right hon. Friend the Secretary of State for Education and Employment, and we are ensuring that councils are given joint advice. We want to them to act jointly; there is no excuse for the education and social services departments

[Mr. Dobson]

of a local authority not acting in concert. The Department for Education and Employment has today launched a new initiative on children with special needs. Children in care are, of course, children with special needs.

It is difficult to deal with things such as stigma, partly because other children can be perfectly horrid. We have to bear that in mind. If we can get a system that works better, so that children in care are, generally speaking, better looked after and more closely resemble, in every sense, the other children in the school, differentiation and stigma should decline.

Mr. John Bercow (Buckingham): Given his welcome insistence that the money for the new children's services grant is additional to existing funding, will the right hon. Gentleman give an absolute, unbreakable assurance that social services SSAs will at no stage be adjusted downwards to reflect its introduction?

Mr. Dobson: As a result of the comprehensive spending review, we have identified a substantial increase in the funding for social services. Part of that increase was to provide the £375 million over the next three years. That is additional money to what it was previously the intention to spend on those services. The assurance that I promise that I can make, which is probably more important even than the one that the hon. Gentleman seeks, is that the money will be spent on children's services. It will not be spent on anything else.

Madam Speaker: Thank you. We now move on.

Business of the House

4.24 pm

The President of the Council and Leader of the House of Commons (Mrs. Margaret Beckett): With permission, I should like to make a statement about the business for next week.

MONDAY 9 NOVEMBER—Debate on the fifth report of the Committee on standards in public life on the funding of political parties in the United Kingdom on a motion for the Adjournment of the House.

Proceedings on the Statute Law Repeals Bill [*LORDS*], which is a consolidation measure

TUESDAY 10 NOVEMBER—Opposition Day

Until 7 o'clock, there will be a debate on factory closures on an Opposition Motion.

Consideration of Lords Amendments to the European Parliamentary Elections Bill.

Motion relating to the Personal Equity Plan (Amendment) Regulations, the Individual Savings Account (Regulations) and the Individual Savings Account (Insurance Companies) Regulations.

WEDNESDAY 11 NOVEMBER—Until 2 o'clock, there will be debates on the motion for the Adjournment of the House.

Progress of consideration of any Lords Amendments which may be received to the Scotland Bill.

THURSDAY 12 NOVEMBER—Debate on the Royal Navy on a motion for the Adjournment of the House.

FRIDAY 13 NOVEMBER—The House will not be sitting.

MONDAY 16 NOVEMBER—Until about 7 o'clock, conclusion of consideration of any Lords Amendments which may be received to the Scotland Bill.

Consideration of any Lords Amendments which may be received to the Regional Development Agencies Bill.

The House will also wish to know that on Wednesday 11 November there will be a debate on Agenda 2000: Financial Aspects in European Standing Committee B.

The House will also wish to know that it is proposed that on Wednesday 18 November there will be a debate on agrimonetary arrangements and the introduction of the Euro in European Standing Committee A and a debate on EC development aid to South Africa (1986–96) in European Standing Committee B.

Details of the relevant documents will be given in the *Official Report*.

[Wednesday 11 November: European Standing Committee B: European Community Documents: (a) 7046/98, Agenda 2000, The Financial Perspective (2000–2006); (b) 7221/98, Agenda 2000: The interinstitutional agreement of 29 October 1993; (c) 9302/98: Own resources based on VAT and GNP; (d) 11666/98, Financing the European Union. Relevant European Legislation Committee Reports: (a) HC 155-xxvi and HC 155-xxxvii (1997-98) (b) HC 155-xxvi (1997–98) (c) HC 155-xxxvii (1997–98) (d) HC 155-xxxviii (1997–98).]

[Wednesday 18 November 1998: European Standing Committee A—Relevant European Community Document: 9597/98, Agrimonetary arrangements following the introduction of the euro; Relevant European Legislation

Committee Reports: HC 155-xxxiii and HC 155-xxxviii (1997–98). European Standing Committee B—Relevant European Community Document: 9690/98, EC development aid to South Africa (1986–1996). Relevant European Legislation Committee Report: HC 155-xxxvi (1997–98).]

Sir George Young (North-West Hampshire): I am grateful to the right hon. Lady for giving us next week's business. Can she shed any light on the date of Prorogation? What are the Government's plans for the European Parliamentary Elections Bill, which is due to be considered on Tuesday, following the Government's defeat yesterday at the hands of peers from all parties who are anxious to allow people to vote for individual candidates rather than centralised lists? How do the Government plan to get themselves out of this hole?

Once again, there is no planned debate in Government time on the economy. Thanks to Opposition parties, we have recently been able to debate a matter that the Government are clearly anxious to avoid, but if the House is to perform its job properly and hold the Government to account, provision must be made in Government time for an economic debate. Will the right hon. Lady reflect on the reply that she gave me last week—that the Queen's Speech will provide an adequate opportunity? That is not a substitute for the traditional economic debate in the autumn.

Yesterday, the Government launched an important document on the family which generated both support and controversy, described in today's *The Guardian* as "nannyism without the smacking". There was no statement on that report, but can the Leader of the House find time for a debate on this most important subject?

In the Army debate last week, the Minister for the Armed Forces said that he hoped to make an announcement shortly on the Territorial Army. In the light of the critical and threatening letter from the Select Committee on Defence to the Secretary of State published today, and against the background of the leaked letter from the Secretary of State for Scotland, can the Leader of the House assure the House that any announcement on the TA will be made by way of oral statement?

Can she assure us that the Public Accounts Committee debate has not been overlooked, and that, once the Pinochet case is resolved and no longer sub judice, there will be a statement in the House on how the matter has been handled?

Although I am disappointed that the right hon. Lady has not found time for a foreign affairs debate, will she undertake to keep the House in the picture, if events in Kosovo or Iraq take an unexpected turn for the worse?

Mrs. Beckett: I note that, on this occasion, the right hon. Gentleman has managed to ask for nine separate subjects to be debated. Last week, I recall, the total was only seven, so the number clearly rises as we go along.

The right hon. Gentleman first asked me about the date of Prorogation. I fear that I cannot add anything to what I told him last week, which is that—[AN HON. MEMBER: "You do not know."] The right hon. Gentleman is quite right—I do not know. The principal reason for my not knowing brings me to item No. 2 on the shopping list—the behaviour of the parliamentary friends of the Opposition in another place. If the right hon. Member for North-West Hampshire (Sir G. Young) is concerned about the date of Prorogation, I suggest that he has a word with his noble Friends. Despite his attempt—laudable, from his point of view—at a cover-up, may I point out that, whatever he says about votes on that issue coming from both sides of that House, it remains the case that, had it not been for the participation of hereditary peers, the Government would have won that Division by 29 votes? The issue of timing in this respect is in their hands.

The right hon. Gentleman asked about two issues relating to the economy. He asked me to reflect on the answer I gave him last week, that those matters would come up in the debate on the Humble Address. That remains the case. I am confident that he will not have forgotten that this week, we have had two full statements on the economy. However, I accept that that is somewhat different from the traditional autumn debates and the general forum for discussion of economic affairs, so I anticipate the matter being discussed through the usual channels.

The right hon. Gentleman asked for a debate on issues relating to attitudes to families; I shall certainly bear his request in mind. He also asked me to give an assurance that the arrangements for the Territorial Army are likely to come back to the House in the form of a statement. I certainly hope and anticipate that that will be the case. He also sought a debate on Public Accounts Committee issues; again, the matter is being discussed with a view to finding an early and convenient date for such a debate.

Although I cannot give an undertaking on how issues relating to General Pinochet will be handled, I note the right hon. Gentleman's request. When the matter ceases to be sub judice, it might be raised again in the House—indeed, I suspect that it will be, in one way or another. As for foreign affairs, he will know that the subject of debates on the Humble Address is a matter for the Opposition, and that it is the custom to have a debate on foreign affairs. In any event, I can give him an assurance that, as we did this week with the statement on Iraq, the Government will continue to keep the House informed about developments.

Charlotte Atkins (Staffordshire, Moorlands): As yesterday's vote in another place shows, it takes only 36 per cent. of Tory peers to defeat Labour every time. More than 100 of the Tories who voted are hereditary peers. Does not that demonstrate the urgent need for reform of the House of Lords?

Mr. Patrick Nicholls (Teignbridge): Quite right—abolish the Opposition.

Mr. Nicholas Soames (Mid-Sussex): Jolly good question.

Charlotte Atkins: Will my right hon. Friend the Leader of the House find time for a debate on that matter?

Mrs. Beckett: I shall certainly give favourable consideration to my hon. Friend's suggestion that the matter is one we should debate. I noticed a certain amount of barracking from Conservative Members about getting rid of the Opposition.

May I draw to the attention of the hon. Member for Teignbridge (Mr. Nicholls) the fact that, as matters stand, there are some 750 individuals who are entitled to sit in

[Mrs. Beckett]

another place and play a part in our legislature, not by virtue of any contribution they have made to the running of our country, but by virtue of the contribution made, for good or ill, by their predecessors? It is 87 years since the Conservative party officially agreed that it was time to get rid of the hereditary element, so I do not think that anyone can accuse us of being in a rush.

Mr. Andrew Stunell (Hazel Grove): Will the Leader of the House arrange for the issue of social security computing to be debated? As you are probably aware, Madam Speaker, the answer to a written question tabled today was apparently leaked to *The Times* yesterday. I am sure that you will agree that that is not a satisfactory way for matters to be dealt with in the House.

Will the Leader of the House also arrange for a debate on SI 2618 and early-day motion 1718?

[*That an humble Address be presented to Her Majesty, praying that the Disability Discrimination (Exemption for Small Employers) Order 1998 (S.I., 1998, No. 2618), dated 19th October 1998, a copy of which was laid before this House of 22nd October, be annulled.*]

Many hon. Members have been shocked to find that the Government propose, via that statutory instrument, to do a U-turn on the ability of disabled people to seek employment with small employers, as a result of which their hopes of jobs have been dashed. It is urgent that we discuss that matter.

Mrs. Beckett: I cannot say that the Government will be able to find time for a debate on social security matters in the near future. I am aware, of course, as is the House, of the concerns that have been expressed as a result of some computer problems in the Department of Social Security, and I understand that the matter is under urgent consideration. I have not seen the other report to which the hon. Gentleman refers, but I shall certainly draw his remarks to my right hon. Friend's attention.

Ms Hazel Blears (Salford): I draw my right hon. Friend's attention to some fairly sensational reporting in the *Manchester Evening News* this week, putting my constituency at the top of the league for people leaving the city, and highlighting the huge problems of social deprivation and exclusion that we face. Nevertheless, the Government have instituted a number of initiatives to help Salford. We have an education action zone, a health action zone and a regeneration project. Can my right hon. Friend make time for a debate on the Government's measures to tackle the real problems of deprivation and social exclusion in our inner cities?

Mrs. Beckett: I am grateful to my hon. Friend, whose constituency I know well. I share her concern for those who have, for so many years, suffered from social exclusion in the area. She is right to identify the fact that that is one of the Government's key priorities, to which we have already given a great deal of attention and to which we shall give more in future. I suspect, Madam Speaker, that, if my hon. Friend is lucky enough to catch your eye during debates on the Humble Address, that is exactly the kind of issue that may arise in the Government's programme.

Sir Sydney Chapman (Chipping Barnet): I congratulate the right hon. Lady on the choice of her recently appointed Parliamentary Private Secretary.

Since the House seems to be marking time waiting for amendments to two Bills in particular to come from the other place, and since the right hon. Lady does not seem to want controversial issues to be debated on the Floor of the House, will she look sympathetically at perhaps a three-hour debate between now and Prorogation on the importance of tree planting, as this year marks the 25th anniversary of National Tree Year, which I had the modest honour of instigating, and as National Tree Week, carrying on the initiative of 25 years ago, is impending? Whether tree planting is important to the ecosystem or to improving our towns and countryside, will she look favourably on this request?

Mrs. Beckett: That is an unusual but worthy request, to which I undertake to give careful consideration. I am grateful to the hon. Gentleman for his kind remarks. As for the suggestion that we are not keen to bring controversial matters before the House, I suspect that the matter that we shall be discussing later today will give the lie to that.

Mr. John Cryer (Hornchurch): My right hon. Friend will know that, a few years ago, when that lot on the Conservative Benches were in government, specific EU questions were abolished on the Floor of the House and pushed upstairs. Will the Government consider a return to a Question Time dedicated to the EU? I ask that after this morning's report that duty-free goods will be abolished for the entire population of western Europe, apart from European Commissioners, who will continue to enjoy them. If we had specific EU questions on the Floor of the House, we could put the spotlight on the huge gravy train that is the EU.

Mrs. Beckett: My hon. Friend will know that it has been a goal of this Government to ensure that any exploitation of the public of Europe is severely curtailed, which is why we have been such staunch advocates of tackling fraud. I did see the stories on duty-free goods to which my hon. Friend refers. To be fair to the European Commissioners, it is not solely they, but they and other diplomats, who will continue to enjoy such a concession.

With regard to the handling of European matters, my hon. Friend will know, I think, that proposals for the better scrutiny of EU matters have been under discussion, and we hope to make a statement on the matter in the near future. Whether we should return to a dedicated Question Time on the matter has not previously been raised with me, but I undertake to consider that.

Mr. Edward Leigh (Gainsborough): We shall debate proportional representation this afternoon. However, in terms of the right hon. Lady's area of responsibility, does she agree that we could arguably reduce the democratic deficit and improve the scrutiny of Bills in this place by ensuring that parliamentary Select and Standing Committees reflect more accurately the proportion of votes cast in the country rather than merely the composition of the House? That would enable Committees to scrutinise the Government and allow the Government to overturn decisions using their solid majority, thus ensuring the best of both worlds.

Mrs. Beckett: I note with interest the hon. Gentleman's unusual suggestion, but the Government have no plans at

present to change the composition of Select Committees. I take it that the hon. Gentleman's observations mean that he does not entirely share the views expressed by some of his hon. Friends in these matters.

Mr. Tony Benn (Chesterfield): On the subject of the European Parliamentary Elections Bill—having no regard to the merits of the matter—can the Leader of the House confirm that, as the Parliament Act 1911 will not be at the disposal of the House, if the Lords insist upon the amendments that they have made already, elections will have to take place in May under the old system? Am I correct in supposing that that is the constitutional position?

Mrs. Beckett: My right hon. Friend raises a very important matter, which the Government have under review at present. I have little doubt that the relevant Minister will make a statement about the matter when the legislation returns to the House.

Mr. Christopher Fraser (Mid-Dorset and North Poole): May I lend support to the comments by my right hon. Friend the Member for North West Hampshire (Sir G. Young) about having a debate on the family? Given recent newspaper reports about prominent Members of Parliament and their colourful private lives, and given the BBC's selective way of approaching the issue, surely such a debate has great merit, because such behaviour flies in the face of the document that was launched yesterday.

Mrs. Beckett: How the BBC handles such issues is a matter for the BBC—and I am thankful that I am not responsible for it. All I can say is that it is always wise for any hon. Member to be cautious when referring to anybody else's private life—colourful or otherwise.

Angela Smith (Basildon): Is the Leader of the House aware of the great problems associated with the enactment of the Dangerous Wild Animals Act 1976, which does not apply to Northern Ireland? That not only means that it is difficult to enforce the Act's import and export provisions for the whole of the United Kingdom, but raises questions about animal welfare and the housing of wild animals in Northern Ireland. I understand that the police, welfare groups and local authorities would welcome legislation in this area. Will the right hon. Lady consider this matter and respond to the House?

Mrs. Beckett: I have recently become aware of the problem whereby legislation governing such matters in Northern Ireland—particularly regarding the treatment of wild animals and the conduct of zoos—differs from that in force elsewhere. A consultation paper seeking comments on such matters is likely to be issued shortly, and I hope that it will ease some of her concerns.

Mr. Alasdair Morgan (Galloway and Upper Nithsdale): Following the publication of the letter from the Secretary of State for Scotland to the Secretary of State for Defence, there is concern in Scotland about the ability of the military to aid the civil power in the event of an emergency. Will the Leader of the House assure hon. Members that the statement that she has promised about the future of the Territorial Army will address that specific point?

Mrs. Beckett: The contents of any potential statement are a matter for the announcing Department, and the issues that hon. Members choose to raise in response to such statements are a matter for them and for you, Madam Speaker. However, I have little doubt that, were there to be concern that the issue needed to be addressed further, the statement will provide an opportunity to do so.

Mr. Andrew Love (Edmonton): Unlike the Conservative party, which presided over increasing class sizes and the failure by 40 per cent. of 11-year-olds to reach the expected standards in both maths and English, is it not a fact that the Government have not only cut class sizes in the past 18 months but will invest £23 billion in our education system in the coming years? Will my right hon. Friend find time not only to expose the appalling record of the past 19 years of Conservative government, but to show what the Government are doing to put it right?

Mrs. Beckett: I am grateful to my hon. Friend. He is entirely correct: the Government have made it plain from the outset that education is our top priority in terms of making the transformation that we believe needs to be wrought in Britain for the sake of our society and our of competitiveness as an economy. My hon. Friend is also right in outlining the steps that the Government have taken already.

This week sees the 18-month anniversary of our election to office, and the steps that the Government have taken in that comparatively short time have done a great deal to reduce class sizes. I believe that 100,000 fewer pupils are now in large classes than when we came to power. I assure my hon. Friend that the Government will continue measures in this area, and I am confident that the matter will be debated in the House from time to time.

Rev. Martin Smyth (Belfast, South): As I raised the question of the Dangerous Wild Animals Act 1976 in the House a long time ago, I trust that "shortly" does not mean after the next general election. Is it possible to have a statement before prorogation about the role of Grand Committees for Scotland, Wales and Northern Ireland, bearing in mind that it would be helpful if they met occasionally in the areas with which they are concerned? That would tie together the House and different areas of the United Kingdom.

Mrs. Beckett: I assure the hon. Gentleman that, when I say that a document will be issued shortly, I certainly do not mean after the next general election. The practice after previous general elections has been outside our control for quite some time.

The Government are considering the future of Grand Committees, along with other issues that flow from the passage of devolution legislation. We hope to be able to address the concerns of hon. Members regarding such matters.

Mr. Mike Gapes (Ilford, South): Can my right hon. Friend find time for a debate on Britain's relations with Germany, historically and currently? That would provide

[Mr. Mike Gapes]

an opportunity to consider what happened in 1982, when the German Liberals changed sides and put Chancellor Kohl in power without an election, when the party received only a small percentage of the vote. Such a debate would provide an opportunity to draw attention to the ambitions of the leader of the Liberal Democrat party to become the Hans-Dietrich Genscher of British politics.

Mrs. Beckett: Most unusually, I am able to grant a request at once, as I believe that my hon. Friend will be able to raise those matters very shortly.

Mr. Soames: Now that the Chancellor has been miraculously transmogrified from a child of the manse into a reckless gambler, does the right hon. Lady agree that those who do not ascribe bad faith to the Chancellor believe that he must have been fed some very dodgy Government statistics? As it is well known that the statistics supplied by the Government are notoriously unreliable, will it be possible to debate in the next Session—if not in this—how we might improve the quality of Government statistics?

Mrs. Beckett: I believe that my right hon. Friend took account of about 45 different forecasts—not merely the Government's own forecasts—in making the judgments to which he referred in the House.

I understand the hon. Gentleman's concern regarding the quality of Government statistics. We all share that concern, and we noticed, particularly during the past 18 years, how the statistical service was repeatedly put under pressure and had its work distorted. That is certainly not a course that we propose to follow, and we intend to ensure that Government statistics improve.

Voting Systems

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Dowd.]*

Madam Speaker: Let me tell the House that I have had to limit speeches from Back Benchers to eight minutes. I know that about 50 Back-Bench Members wish to speak in the debate. It would be counter-productive for hon. Members to approach the Chair to ask whether they will be called and when they are likely to be called. Two hon. Members have already approached the Chair. I caution hon. Members not to do so for the rest of the debate. Let us get on with it.

4.49 pm

The Secretary of State for the Home Department (Mr. Jack Straw): I am glad to open the debate on a question at the heart of our constitutional arrangements. The choice of 5 November—Guy Fawkes day—for this debate is entirely fortuitous. However, it serves to remind us how long Parliament has been central to the life of this nation, and how, over time, this institution has carefully adapted itself to reflect the will of the British people.

Discussion of electoral reform is not quite as old as Parliament itself, but there were those who argued for elections by a system other than first past the post even before the franchise was extended in the last century.

The Spectator last Friday contained a fascinating article about Winthrop Mackworth Praed, a Romantic poet and Conservative Member of Parliament who, in 1830, bought a rotten borough, which contained seven voters, for £1,000. The following year, he proposed amendments to the Reform Bill to give more seats to the less successful parties.

For hon. Members who are not versed in the verse of Winthrop Mackworth Praed, I refer them to the site on the internet where his poetry can be found: www.geocities.com.athens.acropolis.poems.praed. His poetry includes the immortal lines:

"When Freedom sheds her holy beam
On Negroes, and the Press;
When there is any fear of Rome,
Or any hope of Spain;
When Ireland is a happy home,
I may be yours again!"—

not yours, Madam Speaker. I was quoting the poet.

In this century, the debate about the voting system has continued. It was your predecessor but 10, Madam Speaker—Mr. Speaker Lowther—who convened a Speaker's Conference towards the end of the first world war to consider the most appropriate voting system. That Speaker's Conference recommended a town and country solution—the single transferable vote for the big towns and cities, and the alternative vote for the rest of the country. Ironically, given recent debates, that was rejected by a House of Commons dominated by Lloyd George's Liberals.

In 1931, this House voted for the adoption of the alternative vote as the means of electing Members of Parliament. The Bill was supported by almost every Labour and Liberal Member, and opposed by virtually

every Conservative Member, but wrecking amendments from the other place assured its delay and eventual demise.

The domination of British politics by the two major parties, Conservative and Labour, in the first 25 years after the second world war, to the near-exclusion of the Liberals, ensured that the debate over electoral reform then subsided. Over recent years, however, that has changed. As the Liberals, and their successors—the Alliance and then the Liberal Democrats—increased their share of the vote at general elections, so did the call grow to introduce some form of proportional representation. The idea also found favour with some in my party in the late 1980s.

That pressure led directly to the establishment of the Plant committee to consider the issue. That committee's recommendations prompted our late leader, John Smith, to propose a referendum on electoral reform. The proposal for a commission to recommend an appropriate alternative to first past the post sprang from the joint consultative committee between the Liberal and Labour parties, which reported in February 1997.

In all the debates about the appropriate electoral system for Westminster, I have personally taken one side of the argument—in favour of first past the post. That will come as no great surprise to hon. Members on either side. I therefore remain unpersuaded of the case for change, although I am always open to higher argument.

I have also long believed there should be a proper, informed debate on the issue. Indeed, at my party's conference in 1995, I spoke on behalf of the national executive committee to urge my party to back a referendum on the voting system for the House of Commons. For it was, and is, my belief that this is an issue that should ultimately be decided by those who matter most in our democracy—the British people.

Following that vote at the 1995 party conference, our election manifesto duly pledged us to create an independent commission to identify the best possible electoral system as an alternative to first past the post. We honoured that pledge within the first few months of taking office. The commission was appointed on 1 December last year, and began its work early this year.

As we discussed in the debate on 2 June, members of the commission were chosen because of their knowledge and expertise, because they were broadly sympathetic to electoral reform, and because they represented a broad spectrum of political views.

Sir Nicholas Lyell (North-East Bedfordshire) *rose—*

Mr. Straw: I will, of course, give way to the right hon. and learned Gentleman, but given your injunction, Madam Speaker, I ask right hon. and hon. Members to bear in mind that there are 50 hon. Members waiting to speak, and if I give way to everyone, only about 10 of those will be able to speak.

Sir Nicholas Lyell: I am grateful to the Home Secretary. On the so-called independent commission—the Jenkins commission had the brass neck, and the Government were misguided enough, to describe it as such—the Home Secretary is on record as describing it as a "relatively independent" commission. Can he think of any commission set up by a Government since the war that was less independent?

Mr. Straw: I can think of plenty—a long list from the Conservative years—but I shall not go down that track. We discussed the matter at great length on 2 June this year. There was never any pretence that the people appointed to the commission were not in favour of electoral reform. Indeed, as I pointed out in the debate on 2 June, even if I had been available for the post, as many former Home Secretaries are, I would be disqualified from serving on the commission. Of course the commission is relatively independent, because in life almost everything is relative, apart from death.

Mr. Andrew Robathan (Blaby): I know the right hon. Gentleman's position on the matter. I ask him not to make an assumption by referring to electoral reform. Reform means that things get better. Many of us on both sides of the House believe that we are discussing electoral change, not electoral reform. It is important to make that distinction.

Mr. Straw: I shall bear that in mind, but everyone knows what we are talking about.

Three of the five commissioners are members of another place—one was drawn from each of the main political parties. The terms of reference are set out in the first pages of the report. The report was published last Thursday. The Government and I are extremely grateful to members of the commission and its staff for their considerable work in bringing together the report in a relatively short time.

As hon. Members know, the commission recommends a two-vote, mixed electoral system. It proposes that between 80 per cent. and 85 per cent. of the members of this House be elected by individual constituencies using the alternative vote system. The remaining number of Members of Parliament—between 15 and 20 per cent.—would be elected by 80 or so areas on a top-up basis, in order, the commission argues, to mitigate the perceived disproportionality in the constituency results.

Mr. Eric Forth (Bromley and Chislehurst): I am grateful to the Home Secretary. It might be helpful to the House if he could tell us roughly how many democracies in the world have a system like ours—first past the post—and how many have the precise system recommended in the report?

Mr. Straw: Sixty-two countries use first-past-the-post systems, which account for 1.85 billion of the world's electorate. That is about 45 per cent. of those who have a vote. If one includes majoritarian systems of the kind that operate in France and French colonies, a majority of the world's population who have elections use first past the post. Various countries, mainly Spanish colonies and others in Europe, use a variety of systems of proportional representation. I am happy to place in the Library of the House the full list in all its glory.

No country uses the precise system that is proposed, but that is not an argument against change. This country and this House have often been in the vanguard, doing what other countries have not done.

[Mr. Straw]

I draw attention to the table on page 46 of the report, which provides the projection that the commission produced on the likely results of the 1997 election—the one with which we are all most familiar—had the proposed system been in place, and using the median—17.5 per cent.—of the range proposed. That shows that, on this system, Conservative representation would have increased from 165 seats to 168, an increase of three seats. Labour representation would have decreased from 419 seats to 368, a loss of 51 seats, or a reduction. Liberal Democrat representation would have increased by 43 seats from 46 seats to 89. It is estimated that the Scottish nationalists and Plaid Cymru would have increased their representation from 10 seats to 15. There are other exemplifications and other assumptions in the appendices to the report.

It is important to understand how the top-up element will be elected. In each top-up area, the commission proposes that each party will be able to put forward a list of names of up to three people to allow for "spares" in the event of deaths or resignations. [HON. MEMBERS: "Spares?"] This is rather like European elections. It is not really possible to have by-elections. The areas would either have one or two vacancies. They would have to have more people who were actually elected on this system than there were vacancies. *[Interruption.]* If the House could pay attention—

Mr. Gerald Kaufman (Manchester, Gorton): Will my right hon. Friend say that again? I could not quite take it in when he said it.

Mr. Straw: I ask my right hon. Friend to listen carefully. As they say in management-consultant-speak, I would like him to park that point before I come on to— *[Interruption.]* I would like to describe the whole of this top-up arrangement before he asks me further questions, if that is all right.

Voters will then be able to cast their second vote either for those on the list as a whole or for one particular individual on it. Those hon. Members who have carefully followed the proceedings of the European Parliamentary Elections Bill may be reminded of the Belgian system; indeed, it is similar, but not the same. There is one key difference.

Mr. Dennis Skinner (Bolsover): It is double Dutch.

Mr. Straw: We shall come on to the Flemish-speaking Victor d'Hondt in a moment, because he features in the system.

Although all the votes, whether cast for individuals or the list as a whole, will be used to determine how many top-up seats a party wins—using the now favourite d'Hondt divisor—it appears, although the report is not entirely explicit on this point—

Dr. Julian Lewis (New Forest, East): What else?

Mr. Straw: We could have Sante Lague simple or Sante Lague modified. As hon. Members will remember, the Sant Lague modified system starts with the divisor 1.4, which is the square root of two. For reasons of simplicity the commission has chosen the d'Hondt divisor, where the divisors go seriatim one, two, three, four, five. That is simple.

This is the important point—*[Interruption.]* I am seeking to explain what the commission says. As I have explained—

Mr. Martin Linton (Battersea): Does my right hon. Friend accept that the system that he describes as the d'Hondt system is the name of an inventor of a system that simply involves taking the average vote, and that the system invented by somebody called Sant Lague is simply one of rounding up or down?

Mr. Straw: Both systems are about rounding up or down when we do not have exact proportions of votes cast to the seats available. That is why a system of divisors is needed.

Given the number of hon. Members who wish to speak in the debate, I shall regard the intervention of my hon. Friend the Member for Battersea (Mr. Linton) as the last one in my speech.

I wanted to point out the difference between the system that was proposed and is used in Belgium, and the system that appears to be proposed in the commission's recommendation. It appears, although the report is not explicit on this point, that only those votes cast for individuals will determine which particular individuals on a list are elected. Votes cast for the list as a whole do not appear to enter into the equation as to who gets elected, as opposed to which party has those seats. In other words, it appears that those who cast a vote for the list as a whole will be abdicating responsibility for determining which of the candidates on a list should be elected, and leaving the decision to those who happen to vote for an individual on the list.

My right hon. Friend the Leader of the House and I took the view, which I hope had the approval of the House, that having a ministerial statement only a few hours after publication of the commission's report would not have given hon. Members sufficient time to read and digest it. We felt that a full day's debate on the issue was a better way to allow the House to consider it.

The commission's report is one of the best written official reports that I have read for many years, and our gratitude for that must go to its chairman, Lord Jenkins. The Government would now like to see a widespread debate about the merits of the report within political parties, in Parliament and among the public at large. Today's debate is an important contribution to that.

As to timing, we have always envisaged that the referendum would be before the next election, and that remains an option. However, plainly, in the light of Lord Jenkins's specific recommendations, this is less certain, because the new system cannot be introduced until the election after next. Nor, in our judgment, is there a need for the Government to come to an early view about the commission's recommendation.

There are a number of important points of detail in his recommended system which Lord Jenkins has left to be resolved. We have always believed that the referendum, whenever it is held, should be a choice of equals—a choice between first past the post and an explicit alternative. Parliament may take the view that, in order that the British people know exactly what they are being

asked to consider, the exact proportion of top-up seats, the way in which the constituency and top-up area boundaries will be determined and the exact method of allocating votes for top-up seats should be determined in advance. It is a matter for Parliament, but if we were to do that, these things would plainly take time.

As I have already explained, the simple truth is that, with the best will in the world, the Jenkins system could not be in place by the next general election. That is because the system that is envisaged would require the number of constituencies to be reduced from the present 659 to about 530 to 560. Every constituency boundary throughout the United Kingdom would need to be redrawn, a process that would take the Boundary Commission some years. That is because the average number of eligible voters per constituency at present is about 72,000. If that number were increased by between 15 and 20 per cent., the average would increase to between 85,000 and 90,000. There are no constituencies of that size except the one that happens to be at Milton Keynes.

In opting for the system it did, the commission acknowledged that

"we cannot realistically expect our recommendations to be in operation at a general election in much less than eight years."

I am not sure that it would necessarily take quite as long as that, but the process certainly could not be completed before the next election.

When we last debated this issue—it was in June, on a Supply Day, when the right hon. Member for Devizes (Mr. Ancram) spoke first—I told the House:

"The plan is that the referendum should take place well before the next election."—[*Official Report*, 2 June 1998; Vol. 313, c. 190.]

I said that in good faith. It was open to the commission to recommend one or other of the well-known options to first past the post—the alternative vote, regional lists of the sort that we intend or propose to have for the European Parliament, and the single transferable vote in multi-Member constituencies.

For each of those, it would have been perfectly possible to legislate for the referendum, to hold the referendum and, if there had been a vote in favour of change, to implement it well before the next election. However, as I told the right hon. Member for Bromley and Chislehurst (Mr. Forth) in response to an intervention, the system that Lord Jenkins has recommended, though ingenious, has no parallel anywhere in the world, so one may be forgiven for not fully anticipating its prospect.

There are two other important reasons why the Government will not rush into holding a referendum. The first is that the Jenkins commission is not the only independent committee headed by an eminent member of another place to have reported recently. The Committee on Standards in Public Life—the Neill committee—recently delivered its report on party funding. The Government have strongly welcomed that report, and, as the House knows, a full day's debate on it will be held next Monday.

The Neill committee made a number of detailed recommendations about referendums, the detail of which we shall want to study carefully before we take steps to provide for a referendum on the voting system for elections to the House of Commons. Obviously, we shall take full account of the feelings of the House next Monday in reaching our conclusions.

The second reason for not jumping to an instant conclusion on the Jenkins report is that the recommendations need to be seen in the context of the Government's wider, far-reaching programme of constitutional reform. We need to see how the new election systems settle down in Scotland, Wales, London and the European Parliament. It is particularly important that we look at the commission's proposals alongside reforms to the House of Lords, which will follow the removal of the right of hereditary peers to sit and vote in the other place. It would not be wise to embark on reform to the House of Commons electoral system until we are more certain of the changes that will take place in the other place.

Mr. Edward Leigh (Gainsborough): In 20 years.

Mr. Straw: The hon. Gentleman says, in 20 years. We are advancing the programme for the second stage of that reform by establishing a royal commission.

Thus, a great deal of constitutional change is under way, and the British people would not thank us for moving too quickly without thinking carefully about how any changes fit into the whole. We shall want to see how the various changes bed down and how well the new electoral systems for the Scottish Parliament, the Welsh Assembly and the European Parliament work.

My main purpose today is to listen to the debate, but in so doing I wish to make the following points about the context of the debate and how it should be conducted, both here and in the country. First, in this debate, there can and should be no moral or constitutional absolutes. Each of the main British parties has, at various times in its history, or for various purposes, supported both first past the post and proportional representation systems. The Labour party was in favour of proportional representation for the first 23 years of this century, while the Liberals were against. Labour and the Liberals then changed places as the main opposition to the Conservatives, and in doing so changed opinions on PR.

Although the Labour party has not so far advocated a PR system for Westminster since 1923, apart from the alternative vote in 1930, it initiated and approved the introduction in this Parliament of PR for the Welsh Assembly, the Scottish Parliament and the European Parliament. In the 1970s, many Conservatives supported PR for this House. I have a long list of those, including the noble Lord Hurd, Christopher Patten, Lord Lawson, Malcolm Rifkind, Lord Younger and many other luminaries. Indeed, Lord Carr of Hadley, a predecessor of mine as Home Secretary, told his colleagues in the Conservative party in October 1977 that, with a PR system of elections for Westminster,

"the tide of socialism could be halted".

I remind the Conservative party that it supported the introduction of PR in Northern Ireland, including the introduction of a closed list system with d'Hondt divisors for elections to the Northern Ireland forum.

The common thread through all that is that no electoral system can be best for all circumstances. We must seek a system that is most appropriate for the purpose and functions of the bodies in question. My second point flows from that. I am sure that the House will wish to consider the outcome of any change to the electoral system, not some of the more exaggerated claims about

[Mr. Straw]

fairness and wasted votes. I believe that all sides in this argument seek fairness, but it is important not to disguise self-interest in the outcome of any electoral system by claiming that one side of the argument has a monopoly on morality.

Lord Jenkins was on strong ground when he said in his report:

"fairness in representation is a complex concept".

Indeed it is. For all the claims of "wasted votes" made by the opponents of PR, and their equally vociferous claims that PR leads not to wasted votes but to wasted elections, there is a simple truth about elections by any system: some people win and some lose—*[Interruption.]* As I spent 18 years rather than 18 months on the Opposition Benches, I had a long time to spot that consequence.

Those who win form a Government who have power over those who lose. Almost certainly, the Government will then do things to which those who lose take great exception. Those who have lost may well feel that, in the event, their vote has had no effect, and was therefore wasted. In one sense they are right, but that is inescapable so long as we determine elections by the weight of votes, however the elections are conducted or the votes counted.

We must ensure that our voting system is as fair as possible, but mathematically there can never be an identity between the proportion of votes cast and seats gained for a party, and the proportion of power that is then obtained. Proportionality must be measured not only between parties at any one point in time, but over time—over many elections. As a result, what is fair or unfair, and what is proportional or not proportional, can lead to many different answers.

At the beginning of my speech, I referred to the changes that the House has experienced over hundreds of years. It is a testament to the strength of this institution that its members have accepted the need to consider reform when and where necessary. In the 100 years or so after the first Reform Act, successive extensions to the franchise changed the character and position of this place. Many of the reforms to our procedures and rules that have taken place more recently—the introduction of departmental Select Committees and of Wednesday morning sittings, to name just two—have also affected how we operate. It is therefore entirely appropriate for the House to have a full and proper debate on this issue.

There are scores of different electoral systems, and, I suspect, just as many different views on the subject of electoral reform among hon. Members. The Government look forward to hearing some of those views expressed today. We are also keen to see a much wider debate in the country at large. As I have explained, there is no need to rush to a verdict on this issue; nor would it be desirable to do so. The Government want to hear what others have to say about the commission's proposals. The commission has performed a valuable service in setting an agenda for debate. Now let the debate begin.

5.16 pm

Dr. Liam Fox (Woodspring): As the Home Secretary knows, there are not many pleasures in opposition, but one of the pleasures is listening to an intelligent and articulate politician trying to square the circle between what he instinctively believes and what may ultimately be the Government's position. The Home Secretary did himself great credit today by not trying to pretend that he was entirely without a side in this argument. I noted that, at the outset, the right hon. Gentleman said that he was willing to listen to higher argument as opposed to better argument. That says a great deal about the functioning of the Government. Anyone who believed that the Home Secretary was open to persuasion on this particular matter would believe that a child welfare scheme put forward by King Herod carried political credibility.

There is always a moment in these debates when a word or phrase is uttered which shows the Government's real intention. When the Home Secretary uttered the word "spares"—genetically modified Members waiting to take the place of those who have popped off—it gave away the intentions behind his speech.

We must take exception at the outset to the title of the debate, which refers to the report of an "independent" commission. It could not have been less independent. It was a rigged commission—a sham process—which might as well have begun with its conclusions and worked backwards towards its remit. That is effectively what it did. It was a plan for an arranged marriage between a minority party and a section of the governing party—a relationship in of which neither side knows the outcome. What we can say is that the matchmaker was a self-confessed political colossus who was uniquely placed to judge the relationship between the two, having played a pivotal role in the near destruction of both. We saw today a bravura performance by the Home Secretary—a kicking into the long grass of Olympic standard, on which we congratulate him.

However, there were many things that the Home Secretary said today with which we agree, not least in what I thought was an honest defence of the British first-past-the-post system. As the right hon. Gentleman said, 62 countries use our system—almost half the world's population. Only 0.5 per cent. of the world's population use AV, and only 0.1 per cent. use STV.

We do not claim that our current system is perfect. We know that it is rough justice, and hon. Members on both sides of the House have experience of that. However, it is bizarre that we are accused of defending the current system because it suits us when we were slaughtered in the 1997 election by that system, and that Labour Back Benchers are accused of defending a system that works against them when they have a majority of 179 in the House. That is the sort of defeat that we could happily take. We could swallow a system that worked against us to that extent.

Ms Gisela Stuart (Birmingham, Edgbaston): I was interested to hear the hon. Gentleman's numerical analysis of how many countries use the first-past-the-post system. Could he name one post-war emerging democracy which, on reflection, chose the first-past-the-post system?

Dr. Fox: I know that the Prime Minister recently described Germany as his model democracy. Perhaps we should look at the most stable, economically active and prosperous nation in the world—namely, the United States—which has chosen to use the first-past-the-post system. Why do all those who want electoral reform focus only on mainland Europe, rather than looking more widely?

There are four reasons why we believe that we should stick to our current system. The first is accountability. The advantage of our current system is that all constituents have Members of Parliament, but, more important, all Members of Parliament have constituents. We all know that what we do and say will be scrutinised by constituents who all have a vote to put us out at the next election. That would not happen under any form of top-up.

I hope that it is accepted on both sides of the House that we do our very best between elections to represent all our constituents and not just those who voted for us. I know that many hon. Members resent the suggestion that they represent only the people who voted for them at the ballot box on polling day. That is a gross misrepresentation of how most hon. Members see their jobs. Above all, our system—sadly, on some occasions—gives voters an easy way to send the removal vans to No. 10, as they did last year. We cannot resent that. One of the strengths of our system is the easy way of removing a Government whom the people do not want.

Our system also gives us stability. Our current Prime Minister is the 12th since the war. Italy has had 56. At the opening of Parliament, we know that the Government can be expected to last out a full term. Most systems with coalitions mean that people do not know whether the Government will last six months, one year, 18 months or whatever. That is not a good basis on which to plan for a stable democracy.

The Home Secretary referred, at the end of his speech, to another important issue. Proportionality is a much-distorted argument, and he was correct to look at the proportionality of power. If we define that as the ratio between votes gained and time spent in power, our system is better than many others. It is not a good measure of proportionality that the Free Democratic party in Germany, on 5 per cent. of the vote, should have spent almost 100 per cent. of the post-war period in power; or that the National Religious party in Israel, on 1 per cent. to 1.5 per cent. of the vote, should spend such a long time in power. That is not a measure of proportionality that I wish to see here.

One of the arguments used on 2 June was that our system is not responsive. Several Labour Back Benchers said, "How can we accept our current system when a Government could bring in something like the poll tax?" As the Home Secretary said, Governments will do things on which they will be judged at a subsequent election. I should point out that, because of the responsiveness of our current system, the Government of the day had to jettison the poll tax mid-Parliament, without having to wait for an election.

Mr. Kaufman: With regard to the poll tax, is it not a fact that, in the end, the Conservative Government abolished the poll tax after losing a safe seat in a by-election, whereas under the proposed system, there would be no by-elections for top-up seats?

Dr. Fox: The right hon. Gentleman is absolutely correct and makes the point for me. I must say that if we had had to ditch a policy after every by-election disaster in 18 years, we would not have had any policies left.

Mr. Leigh: Although we should oppose proportional representation for the reasons given by my hon. Friend, will he—on behalf of the Opposition—say that we should not be complacent about the relative power of the Executive and Parliament; that Parliament needs to reform itself; that we must give increased powers to Select and Standing Committees; and that the Opposition will look at that problem?

Dr. Fox: There are many arguments as to why we need to check the power of the Executive and how we need to look at our practices in both Houses of Parliament. However, that gets to the nub of the argument. Changing the system will not change how the Executive are brought to account. That is one of the great red herrings put forward by those who believe in electoral reform.

Let me turn to the specific proposals by the Jenkins commission—I refuse to call it the independent commission. First, the AV-plus system with the top-up is a dog's breakfast. Hon. Members may be aware of the simple guide which has been produced, providing a simple explanation for voters of AV-plus.

"Mark your candidates in order of preference. Remember that your third preference for the candidate who comes third could be more important than your first preference for the candidate who comes first. The candidate who comes third could be eliminated and if their first and second preferences are for candidates who come fourth and fifth, then their third preference could transfer to the candidate coming second, defeating the candidate who came first but only as your fourth preference. If you want to vote tactically it may make sense to vote first for the candidate who you think might come third in order that they beat the candidate who comes second but who you believe your first choice would find it easier to beat. There will be some extra candidates who didn't win any preferences who are then elected because some other candidates from their Party did not get the right preference. There will be 17 per cent. of these candidates elected to make sure that things are proportional but not so proportional that they cancel completely the preferences of the other 83 per cent."

Simple, Mr. Deputy Speaker.

Mr. A. J. Beith (Berwick-upon-Tweed): Will the hon. Gentleman do two things? First, will he acknowledge that he is not reading from the Jenkins report? Secondly, will he give a simple explanation—perhaps in one sentence—of the system by which the Conservative leader is elected by his fellow Members of Parliament?

Dr. Fox: I might as well have been reading from the Jenkins report—which was just about as clear as some of that paragraph. It is entirely up to the right hon. Gentleman to make his own case, and spurious points, later. No doubt he will, because he himself has said some interesting things recently. First, he has said that, under the AV-plus proposal, all votes would be equal. They will not be equal. A vote for the most fringe candidate—the most way-out or wacky candidate—will count more often than those votes for the first or second preferences. Vote wacky, vote often—get your vote counted as often as possible.

It is said that the winning candidate will always have to have 50 per cent. to win, and will be "less despised" by more than 50 per cent. of the electorate than successful candidates under the current system—some mandate! However, all candidates will not reach 50 per cent. Unless the voters are forced by law to rate all the candidates all the way down, the returning officer could run short of

[Dr. Fox]

votes before he gets to 50 per cent. What do we say to voters—"Unless you rate all the candidates, your preferences do not count?" It is not clear in the report.

Mr. Linton *rose—*

Dr. Fox: If the hon. Gentleman can tell me where it explains that point in the report, I will happily take his intervention.

Mr. Linton: Would the hon. Gentleman concede that the recommended wording in the Jenkins report for the second ballot paper is

"Either put an X against the party of your choice OR put an X against the candidate of your choice"?

Dr. Fox: It would help if people had read the report. We are talking about the AV part—not the top-up part. The AV part will cause all the confusion with voters, and the matter is not at all clear in the Jenkins report.

The House should consider where the AV part might cause an even greater distortion than the current system. I wish to refer to the Scottish National party—I see a couple of SNP Members in their places.

As the Scottish National party has no policies at which anyone could take offence—and as the party is merely the political embodiment of the "Braveheart" video—people in Scotland might find it an easy second choice. What if everyone—Labour, Conservative and Liberal Democrats—made the SNP their second preference? It might start to win a disproportionate number of seats, and the Labour party might have to use the top-up system to regain some of the seats that it had voluntarily given away.

Mr. Alasdair Morgan (Galloway and Upper Nithsdale): Is not the problem that too many people may make the SNP their first preference in the near future?

Dr. Fox: Yes, that is a danger, not just for Scotland but for the United Kingdom as a whole. I am glad that the hon. Gentleman has drawn attention to it.

The second item in the report that causes difficulties is the top-up system. One of the most disturbing aspects for Members of Parliament is the notion of two classes of Members. Our current system makes us all equal: we are all responsive and answerable to our electors. Under a top-up system, a new class of Members would be created—Members who would be answerable not to their electors, but to their party bosses. We should take that very seriously.

I was a Government Whip, and I know the pressures that Whips can put on Members of Parliament to persuade them to vote in a certain way; but what if the pressure exerted by a Whip consisted not of persuasion, but of the ability to remove a Member from a list and deprive him of his living because he does not vote as his party wishes at any one time? That is a real danger. Our democratic tradition, from Magna Carta onwards, has been about how power can be transferred from the unaccountable to the accountable. This proposal seeks to reverse that trend in our democratic process, and to give political power in the House to a group of people who are answerable to political parties rather than the electorate—to the party bosses rather than the voters. At present, every Member of Parliament is accountable to the voters; under a top-up system, they would be accountable to the party bosses who rank them and allow them to stand for their parties on a list.

There is also the problem of weak government by coalitions. Notwithstanding what some may consider to be the consensual benefit of government by coalitions, they tend to be more short-lived and less able to make decisions. As my right hon. Friend the Member for Huntingdon (Mr. Major) has said, decision making in government is a first-past-the-post activity. I think that Ministers are increasingly understanding that.

Under the Jenkins system, there would have been nine coalition Governments since 1950. There would have been two Labour and three Conservative Governments. That has many implications for the way in which our country is governed. A coalition Government will necessarily mean disproportionate minority power—as it does in many countries.

In a television programme in which I took part the other day, a representative of the Greens said, "This system does not help us. We wanted proportional representation, but this system makes it too hard for us to reach the threshold. It will not help those of us who wanted PR." The proposed system is designed specifically to help small parties, but only big small parties: in fact, only one big small party. There is only one winner in this electoral lottery, and the winner is—the Liberal Democrats! What a sham, what a fraud, what a con trick it has all been.

We do not know when we will be given a referendum, although we were promised one. I accept the Home Secretary's arguments about the deeply confusing nature of the proposals that have been made, their unworkability in regard to the time scale required by an electoral commission, and so forth—all of which I welcome. But no doubt when the Prime Minister says, "It is an option in this Parliament", he is saying to the right hon. Member for Yeovil (Mr. Ashdown), "Just concede on this sell-out and this principle. Vote with us on that. Get rid of the single transferable vote. Prefer closed to open lists", and who knows what else, while at the same time saying to those who prefer the current system, "Trust me. Keep quiet on this, bear with me for now. I will promise them anything, and dump them at the right time."

That is simply not good enough. We need clarity: we need to know where we are on this subject which is so important to the standing of our democracy. It is not a game. Strong views are held on both sides of the House, but we must do what we do not do often enough. We must hold true to what works, and has been developed in our country's interests; and, above all, we must put the people before the politicians.

5.34 pm

Mr. Gerald Kaufman (Manchester, Gorton): My right hon. Friend the Member for Blackburn (Mr. Straw) is a brilliant Home Secretary, but a lousy literary critic. He praised the style of the Jenkins report, which is, in fact, glutinously euphuistic as well as being intellectually shoddy.

As we have just heard, we have a system that is utterly clear and comprehensible. In exchange, the report offers us the following. First, it offers us a system that is

hopelessly complicated. I suggest that hon. Members try to read points i to iii in paragraph 110, which explain the arrangements for allocating top-up members. Secondly, it offers a complex ballot paper with three confusing choices. Thirdly, it involves the alternative vote, which the report itself admits to be unfair, while also claiming that it enhances choice. The report is self-contradictory in the space of only three lines.

Fourthly, the numerical top-up allocation system is entirely arbitrary. The commission could have chosen any number; it chose any number, and it could have chosen any other number. An electoral system that is arbitrary in regard to selection by Government or anyone else is an unacceptable electoral system. Moreover, the top-up allocation system is not only arbitrary, but without any intellectual justification.

Fifthly, the report itself admits that the top-up system is unfair, because it requires—not "makes possible"—disparately sized and disparately elected top-up constituencies. It builds in unfairness, while claiming to get rid of unfairness. Sixthly, the report admits the existence of the potentially insoluble problem of filling vacant top-up seats, to the extent that it actually recommends leaving such seats vacant if they become vacant. Who will be represented with fair votes in a system like that?

Seventhly, the report admits that the new system may not even work. A recommendation popped in at the end suggests that the matter should be looked at, and that there should be another referendum. We do not need that with our current system: our current system works, and will go on working. Eighthly—I do not expect the Conservative party to make this point—believe it or not, I have been elected eight times as a Labour Member of Parliament. An anti-Labour bias is built into the proposed system. For one thing, the report admits in terms that Labour will not qualify for many seats under the top-up formula—*[Interruption.]* It is in the report. I suggest that hon. Members read it, as I have done several times from beginning to end.

Mr. Stephen Twigg (Enfield, Southgate): Will my right hon. Friend give way?

Mr. Kaufman: No, I have only eight minutes in which to speak.

The basic formula for the alternative vote topped up makes it inevitable that there will be fewer Labour seats, and the extrapolations in the report show that the party will suffer more than any under that formula is the Labour party—just as Lord Jenkins's own party will enjoy the greatest enhancement.

As I said, I have been elected to the House eight times, sometimes during periods of immense electoral adversity. I have sat here for 28 years. I have not sought election 10 times and been elected eight times in order to support a system that is definitely intended to reduce the number of Members of Parliament from my own party. That may be regarded as self-interest, but I must tell my hon. Friends in marginal seats who floated in here, that they will not be here for 28 years with this system.

The report is deliberately aimed at reducing the number of Labour Members of Parliament through a referendum. I offer my right hon. and hon. Friends on the Front Bench a serious warning based on the past. They ought not to support this system when the referendum comes because, if they do, the Labour party will be split in a referendum campaign against a Conservative party that is united.

The *Financial Times* reported today that my right hon. Friend the Prime Minister will allow Cabinet Ministers to take either side of the argument in a referendum campaign. We had that in 1975 and the direct result was the split that developed in the party right through to 1980; it was Lord Jenkins who split the Labour party in 1980. In 1980, Lord Jenkins nearly inflicted a terminal split on my party and he is now trying to do that in another way. I recommend to my right hon. and hon. Friends that they should have nothing to do with the report, because it is a poisoned chalice being offered by our ex-colleague.

5.41 pm

Mr. A. J. Beith (Berwick-upon-Tweed): I do not think that the body elected by the present system is the most favourable one in which to get a sympathetic hearing for radical change in the system, but I had hoped for a little more objectivity, not least from the—*[Interruption.]*

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. I have heard the hon. Member for Blaby (Mr. Robathan) shout in this Chamber several times. He will not do it again or his feet will not touch the ground.

Mr. Beith: The right hon. Member for Manchester, Gorton (Mr. Kaufman) said that he had been elected to the House eight times. I have been elected a few more times. On the last occasion that the electors of Gorton sent him to the House, nearly half of them did not bother to vote. That is a repeated phenomenon in his constituency because it is regarded as a safe seat in which nearly half the electors feel that their vote will not make any difference to the outcome. Right across the country, millions have voted, year in, year out and felt that their vote has made no difference to the outcome.

The first-past-the-post system give us huge majorities that the voters did not give to the politicians. Of course, politicians like it if they can drive through measures such as the poll tax, which the majority of people do not want. Lady Thatcher was able to do that, even though she had rebels in her own party, because she had an artificially large majority, far beyond that given by the voters. Indeed, she did not have a majority from the voters.

The system produces dramatic and exaggerated reversals between one Government and the next. I can tell Labour Members that it may feel comforting to have a large majority today, but previous Governments have seen what they thought was good work built for the future undone, because the next election resulted in a complete reversal of power, brought about not by the voters but by the vagaries of the electoral system. Some of the Governments whose work has lasted the longest and been most successful have been those who have had to look beyond their own ranks for support. The wartime coalition produced measures such as the Education Act 1944, which lasted for decades because it was built on more than the supporters of one party.

The first-past-the-post system produces perverse results, such as that in February 1974 when the wrong party was elected, and it under-represents minorities on a drastic scale. In 1983, Labour got just over a quarter of the votes and a third of the seats. We got just under a

[Mr. Beith]

quarter of the votes and a 30th of the seats. That is not fairness by anybody's standards. More than that, it denies some parties seats in vast areas of the country where they have support. There are no Conservative Members in Scotland, Wales or any of the major provincial cities of Britain. The reason for that—

Mr. Ben Bradshaw (Exeter): Does the hon. Gentleman agree that the fact that there are no Conservative seats in Scotland and Wales means that the Conservative party is likely to change its opinion when it starts winning them back under proportional representation?

Mr. Beith: I have heard no offers from Conservative Members to decline to stand under the proportional system or not to take the seats given to them by the proportional system in Scotland and Wales. Similarly, the Labour party—

Mr. Gordon Prentice (Pendle): Will the right hon. Gentleman give way?

Mr. Beith: I have promised to limit my speech and I must try to do so.

In the southern counties of England, the Labour party has been almost totally unrepresented in most elections. That is not good for the party.

Dr. Fox: On a logical point, if the right hon. Gentleman makes that argument about Conservatives in Scotland and Wales, are we to assume that, because he stands under the first-past-the-post system, he somehow approves of it?

Mr. Beith: I have made it pretty clear over the past 25 years in the House that I seek a change in the system.

The system proposed achieves a much higher level of proportionality while not making coalitions inevitable. It retains constituencies, but uses a system that ensures that Members have to command majority support in the constituencies. It gives the voters a say on who the top-up Members are. It cannot be fixed by the parties—the voters decide which top-up Members come higher on the list. It provides satisfaction for the criteria that the commission has set.

Hon. Members, in both the Labour party and the Tory party, who are opposing this move and who have been elected to this place under the present system, must think about what they are doing. They are campaigning to keep out of here members of their own party in other parts of the country. When north-east Labour Members such as the hon. Member for Middlesbrough (Mr. Bell) argue that the system should not be changed, they are condemning Labour voters in many parts of the south of England to never having a Labour Member of Parliament. When Conservative Members insist that the system should not be changed, they are telling the whole of Scotland and the provincial cities of Britain, "Do not bother voting Conservative there because we will never win." That is no way to treat the voters.

What are the objections? The hon. Member for Woodspring (Dr. Fox) claims that it is too complicated. The Conservative party elects its leader by a complex system designed to ensure that he has a majority. If that were not the case, the right hon. Member for Richmond, Yorks (Mr. Hague) would not be the leader of that party now. If the election had been carried out under a first-past-the-post system, the leader would be the right hon. and learned Member for Rushcliffe (Mr. Clarke).

Most other parts of the United Kingdom use proportional systems. Such systems are used in Northern Ireland and are to be used in Scotland and Wales. They are used in the Republic of Ireland and all over Europe. What is it about the Conservative view of the British people that makes them believe that they cannot fill in a ballot paper that people throughout the rest of the world can fill in?

The Conservative party says that the system would produce coalitions, which produce bad government. There would not always be coalitions. The recommendations in the report would have given one-party government in 1983, 1987 and 1997 but, rightly, not in 1992 when no party was anywhere near having a majority of the vote.

Most of Europe operates stable coalition systems of government. We cannot talk about the rest of Europe in the presence of the Conservative party or some elements of the oldest of old Labour because it is foreign and anything that happens in a foreign country must be wrong. However, the Conservative party has suddenly switched the argument and said that we cannot have the proposed system because it is not used in any other country. It will have to make up its mind where its argument lies.

The Conservative party says that there are too many small parties. Ten political parties were elected to the House at the last election under the present system because that system favours small parties that are regionally concentrated, such as Sinn Fein. Two Sinn Fein Members were elected to the House under the present system.

The Labour party has a manifesto commitment to hold a referendum in this Parliament on Lord Jenkins's proposals. That commitment was that it should be before the next election.

Mr. William Ross (East Londonderry): The right hon. Gentleman has told the House, correctly, about the number of parties elected to the House. However, he neglected to say that most of those smaller parties operate in very circumscribed areas of the United Kingdom and, therefore, represent not the broad mass of the British people as a whole, but their own local electorate.

Mr. Beith: The hon. Gentleman is right, but I thought that I had said that. I was making the point that small parties are elected if they are geographically concentrated, but that much larger sections of opinion that happen to be spread across the whole country are not represented.

We should have a referendum during this Parliament. The Prime Minister has confirmed in this House and elsewhere that it is what the Government continue to envisage. That is our view and we see no persuasive reason for delaying it until early in the next Parliament. It will be necessary to introduce the referendum legislation in this Parliament, at least in the Session after next, in order to keep those options open.

It would be desirable for the boundary commission's work to be under way before the end of this Parliament to ensure, in the event of a yes vote, that the system would be in place for the election after next. The Home Secretary

recognised that it would take some time for the system to be established, but I do not agree that it would necessarily take eight years.

Hon. Members would do well to remember that the coalition outside the House for reform of the electoral system is broad. People outside the House are less ready to justify unfairness or absurdity and they are less likely to be resistant to change at any cost. The diehard opponents of change do not represent the breadth of opinion, even in their own parties.

I believe that the British people will welcome change and a fairer system, in which their votes count. Electoral systems exist not for the benefit of parties but to give democratic power to voters. That is what the proposed system does, and that is why I believe that the British people will vote for it when they are given the opportunity to do so.

5.50 pm

Mr. Giles Radice (North Durham): I entered Parliament as an unquestioning supporter of first past the post, as I understood its simplicity and the fact that it led to regular changes of Government and to Governments who were, by and large, stable. During the 1970s and, in particular, the 1980s, I changed my mind for several reasons. First, the Thatcher Governments were elected on a minority of the vote—43 per cent. was the most that they won—but with large majorities that exaggerated the movement of opinion.

Secondly—this is an important point—the system became extremely unfair to the Liberal party, which improved its share of the vote but only marginally increased the number of seats that it won. The system seemed to become even less fair.

The third argument is geographical. After the 1983 and 1987 elections, the Labour party held only three seats in the south of England—we were becoming a regional party. The same applies now to the Conservative party, which has no seats in Scotland or in Wales. That is not good for democracy.

I believe that the system needs to be reformed in such a way as to take account of the strengths of the first-past-the-post system and our traditions. I supported the establishment of the Jenkins commission and I welcome its report, which is extremely well written. I agree with my right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman) on many subjects, but I think that he has allowed his prejudices to overwhelm his usual objectivity and fairness about the quality of writing.

The commission has come up with some subtle and well-argued proposals. Many of the arguments of the hon. Member for Woodspring (Dr. Fox) were directed not against those proposals but against any reform of the system. That is not good enough, and the hon. Gentleman will have to hone his arguments before the referendum.

All Labour candidates are elected by an alternative vote system, so Labour Members should not say, "This is something quite extraordinary. We have never heard of it." The system is linked to single-Member constituencies, so that the vast majority of Members of Parliament will be elected in constituencies.

Mr. John Hayes (South Holland and The Deepings): Will the hon. Gentleman give way?

Mr. Radice: I have only eight minutes, so I think that it would be unwise to give way to the hon. Gentleman.

There is an element of proportionality in AV-plus, but that element is quite small and is designed to make the system fairer. Because AV-plus is not strictly proportional, the traditional criticisms of proportional representation are irrelevant. We are not talking about the Israeli or Weimar systems—AV-plus will not create unstable Governments. Indeed, under AV-plus, the elections of the 1970s, 1980s and 1990s would have produced Governments with workable majorities in every case except the 1974 and 1992 elections, which certainly did not lead to stable Governments. Moreover, the fact that, under AV-plus, most elections would not produce a coalition answers at a stroke the argument about the third-party hinge—Conservative Front Benchers can no longer use that argument.

AV-plus gives voters a bigger choice. They can express a preference and they have two votes. Their second vote need not be for the same party; they may decide to vote differently—and why not, if that is what they want? We are offering voters a larger preference, especially as AV-plus can also operate with an open list system.

No system is perfect, and I agree with my right hon. Friend the Home Secretary that there are no absolutes in this matter. AV-plus would create two classes of Member of Parliament, and that is a serious fault. However, under AV-plus, the vast majority of Members of Parliament would represent constituencies, whereas the top-up Members would represent small county areas.

Siobhain McDonagh (Mitcham and Morden): Since when has south-west London been a county?

Mr. Radice: I should say that most top-up Members would represent small county areas.

Areas such as Surrey, which have never had a Labour Member of Parliament, could have one under AV-plus. *[Interruption.]* Labour Members may not represent Surrey now, but Labour voters in Surrey would like to have a Labour Member of Parliament.

I support the Jenkins proposals and I look forward to hearing the Government's eventual reaction to them. I also look forward to campaigning and voting for them in a referendum.

Mr. Forth: On a point of order, Mr. Deputy Speaker. Can you confirm that, under new Standing Order No. 47, which was passed by the House in June, it is in your discretion as occupant of the Chair to allow extra time so that interventions may be made and taken during time-limited speeches?

Mr. Deputy Speaker: Madam Speaker has ruled on the time limit, but I take the right hon. Gentleman's point. It has been agreed that there will be—for want of a better phrase—injury time for interventions. I do not want to waste the time of the House, but I remind hon. Members that all interventions take time away from the total number of Members who want to speak, of whom there are about 50.

5.56 pm

Mr. William Ross (East Londonderry): It is a pleasure to speak in a debate on this subject, as I am one of the few Members of Parliament to have been elected by a system

[Mr. William Ross]

other than first past the post—I have experience of the single transferable vote, proportional representation system.

The Jenkins inquiry was given a restrictive framework—it had to produce an alternative to the current system but preserve what are generally perceived as the merits of the simple majority system. The remit was interesting. First, the constituency link between the Member of Parliament and the electorate was to be retained. Secondly, the system was required to create stable Government—I assume that that means stable Government for the duration of the Parliament rather than the long-term continuation of one party in government.

Thirdly, there had to be broad proportionality of Members to votes and, fourthly, an extension of voter choice. Indeed, the Prime Minister set out similar arguments in his article in *The Economist* in September 1996. I believe that the current system does all that fairly well, so precisely why a change is required to achieve the same result raises some interesting conjectures.

As the criteria were so clearly and narrowly drawn, it is no surprise that the commission reflected the view that change was necessary. I must protest against the denial of an open and fair appraisal of electoral systems. The simple majority system was denied a hearing—it was condemned, hung, drawn and quartered without mercy or thought about its merits, and it was not allowed to stand comparison with the commission's ideas. This has been our first opportunity to make such a comparison.

On 12 March, I attended the commission's hearing at Queen's university, Belfast. As I noted at the time, the proceedings attracted so much public attention—even in a place such as Northern Ireland—that only nine people attended, one of whom was Mr. Patrick Bradley, the chief electoral officer for Northern Ireland. His interest was purely professional. I was moved to ask how many had attended the previous meeting, which had been in Cardiff. The answer was 30 or thereabouts. I do not know what was the attendance at subsequent meetings—I hope that it was somewhat better—but if ever there was a case of silence giving consent, I would suggest that the electors of Wales and Northern Ireland have shown that they are content with the present system.

In a matter of such fundamental importance to the government of our country, it is simply not good enough to draw up the guidelines so tightly and appoint a commission membership that is perceived to be in favour of change. The House demands fairness in appointments to every imaginable quango. No lower standard should have been applied in this case. The Jenkins commission should have included those who are prepared to defend the simple majority system and criticise the PR case.

No effort is ever made to seek out the views of people in Northern Ireland, who have lived with PR for many years. There was, as always, no real desire to learn from those with hands-on experience of the system in action.

We all know that, in our system, very few people vote for an individual. The presence of the hon. Member for Tatton (Mr. Bell) is an exception to the general rule. He is one of those—notably the hon. Member for North Antrim (Rev. Ian Paisley)—who appear because of a conjunction of events in a constituency or a community, but in general individuals rarely endure in the House unless they create or represent a body of opinion that finds expression by evolving into a political party—either that, or they are absolute political geniuses and giants.

People vote for a party largely on the basis of their general approval of the main course of action that it represents. Personalities and minor themes in a party's structures can affect its standing, but very few individuals survive the sea change of perception of a party and the resulting tidal wave of public disapproval, as was proved only last year.

Much is made of the stability created by coalitions, which are the consequence of PR voting systems. It is said that they are effective and consistent. I consider them, and especially the pernicious system of power sharing proposed for Northern Ireland, not to be consistent but to allow the persistence in government of a particular theme, party or group of personalities long past its sell-by date.

All political parties are coalitions grouped around their natural political, ethical, social and economic centres of gravity. In my opinion, the present system means that people are forced into general political coalitions, to the good of the country, and that is a uniting influence, not a divisive one as PR is.

Owing to their common themes, parties possess a unity that is not possible in the shotgun marriages of convenience and necessity that force disparate groups into the same sardine box after an election. I am a proponent of the simple majority system for many reasons, many of which have been, and will be, rehearsed today. We are all equal in status here, and, despite the protestations of Lord Jenkins, we would not be under the proposed system.

How is there to be an equal work load? How can there be equality in the constituency? How can the additional top-up Members avoid treading on the toes of the constituency Members in the areas that they represent? How is a chosen party hack to have the same status as the Member who had to do the hard, dirty work on the ground before he got elected?

Mr. Beith: Will the hon. Gentleman give way?

Mr. Ross: No, I have only two minutes left.

Mr. Beith: I gave way to the hon. Gentleman.

Mr. Ross: I know, but I have only two minutes left.

We must also consider the simple matter of by-elections, which would be conducted under a form of the single transferable vote system that governs elections and by-elections in Northern Ireland and that is so familiar to us. The simple majority system has much to commend it for the election of constituency Members. It is the experience of all hon. Members that the supporters of other parties approach us with problems and expect—and, I believe, usually receive—the same courteous treatment from their parliamentary representative.

We would all reject the idea that we are partisan between electors who share similar difficulties with public bodies and/or Government. It is our duty to represent them all, and I believe that we do. Indeed, we generally have no way of knowing for whom they vote. I agree with much of what Lord Alexander says in his note of reservation.

The only real power of the electorate over Government is the capacity to put the rascals out of office. I object strenuously to any effort by politicians or parties to diminish the capacity of the electorate to take vengeance on those who have disappointed them, something that the alternative vote system would do. The power of dismissal under first past the post is simple to understand, brutal, merciless and terribly effective.

The effect is a sobering element in the thinking of any Government—or should be, if they have the wit to realise it—or, more likely, on their Back Benchers; that was evident among those on the Conservative Back Benches in the previous Parliament. There is a pressure on Government at all times to explain and to convince their supporters and the wider electorate.

The cleansing effect that first past the post makes possible should not be underestimated. It is cruel, painful to many and brutally effective. It allows the defeated party time to think, to revitalise itself and eventually to return with fresh ideas and new people able to pursue radical policies. No other system would create such opportunities. For that reason alone, it is worth while—indeed, necessary—to retain it.

6.4 pm

Mr. Tony Benn (Chesterfield): This is an important debate, whatever view we take, because we are discussing the basis of our authority. I will have been here 48 years at the end of the month, and it seems to me that people want a representative when they vote. The idea that every Liberal or Labour voter supports every item of Liberal or Labour party policy is absolute nonsense. People want to be represented. Introducing proportionality completely destroys the idea of representation.

When we discussed the subject in the Labour party's national executive a few years ago, when Neil Kinnock was leader, I said to Neil that I had a feeling that if we had a party list system my hon. Friend the Member for Bolsover (Mr. Skinner) and I would be at the bottom of the list. He laughed, but in a funny sort of way. That is the direction in which politics is going.

No doubt, all hon. Members will go to their constituencies this weekend. Every person whom we meet in our constituencies is our employer—the bus driver, the street sweeper, the home help, the policeman—and has the power to remove us. Our constituents expect to be represented. They decide whether they agree with our views and whether we have done a decent job.

Any element of proportionality, which destroys that link, could lead to people being governed by a Government whom nobody had voted for, because nobody would know the basis of the coalition on polling day. At least the coalitions of the parties are transparent: people can see them developing and know what they are voting for and what their own Member thinks.

I do not intend to waste much time on the Jenkins report because, candidly, I do not think that it has a cat in hell's chance of succeeding. The idea that the parliamentary Labour party would go through the Lobby to destroy 50 of its own Members, to redraw all the constituencies and to introduce a new group of piggy-back Members is ludicrous. I heard it said by one cynic that the Labour party is so loyal that, if chimney boys were brought back in the name of modernisation, we would all go through the Lobby; but turkeys do not vote for Christmas. I do not honestly think that this is a serious plan.

The real issue is one that Jenkins neither considered nor was asked to consider: the power that people have over the government of their country. This is the beginning of a debate about democracy generally. Unlike almost every other country, we have no vote over the head of state. We have no vote over the second Chamber. If my right hon. Friend the Prime Minister reintroduces Edward I's method of appointing peers—when peers began in 1295, they were not hereditary—we will be modernising ourselves back to the feudal period. There will be absolutely no popular control.

The House of Commons has very limited power. After all, the Prime Minister derives his legislative majority from the people, but most of his executive power from the Crown. That is why the Prime Minister has put a spin doctor into Buckingham palace. If the Crown is not popular, the Prime Minister might lose the power to appoint bishops, judges, commissioners, peers and so on. That is how the system works.

It amazes me that the British people put up with that system. What is it about our training and breeding that makes us think that we are not fit to elect the second Chamber or the head of state? Jenkins does not deal with that, because he is an Asquithian Liberal. We have to be very careful.

People ask whether the proposals would lead to a coalition; but they are all about getting a coalition. Those who advocate the proposals favour a coalition. I do not want to be too political in a debate of this character, but it is worth noting that there is a big Labour majority and the leader of the Liberal party is on a Cabinet Committee, but I am not. I met him voting against the lone parents provisions last December. I was threatened with disciplinary action, but he knew that he would be at the Cabinet Committee the next day. There is already a broad perspective of views. For example, the right hon. Member for Henley (Mr. Heseltine), the former Deputy Prime Minister, has been given a job and the former Chancellor has been given a job. The former chairman of the Conservative party is in Northern Ireland, clearing up the RUC and David Mellor is in charge of football. When we talk about inclusiveness, I just wish some of us were part of it.

In future, unless we are clear about stopping it, all candidates will be vetted by the party machines. That is not about the power of the Prime Minister, but the power of the party leader. All the European candidates have been vetted and put on a list, as have all the Scottish candidates. My hon. Friend the Member for Falkirk, West (Mr. Canavan) was left off, because he was thought less suitable to be a Scottish candidate, although the hon. Member for Leominster (Mr. Temple-Morris) has suddenly given the Labour voters there a Member of Parliament by changing sides. Candidates for the Welsh Assembly will also be vetted. So the language of devolution is accompanied by the centralisation of power.

I do not wish to overdo the point, but as a Minister I visited the Soviet Union and Brussels many times. In the Soviet Union, we used to meet the central committee, which had not been elected. We met the commissars, and they had not been elected. I went to Brussels and met representatives of the central bank, and that had not been

[Mr. Tony Benn]

elected. I met the commissioners, and they had not been elected. The truth is that capitalism and communism have one thing in common—they do not want the people to have a choice of system, only a choice of management. That is the problem that we face. I have not heard anybody suggest that it would be a good idea for the Governor of the Bank of England to be elected, even by first past the post, and he has more power than any of us here. He is appointed, so he depends, like the bishops and the judges, on patronage.

We must face the problem that government now is less about representation and more about management. I get my fax from the party headquarters every morning, with quotations already attributed to me—"Mr. Tony Benn welcomes compulsory homework for pensioners", or whatever it is, and I am supposed to put it back in the fax machine to send to the *Derbyshire Times*. I feel less and less like a representative and more and more like an Avon lady, who is told what to say when she knocks at the door. If the Liberals had joined the right end of the Labour party, we might have had a progressive party, but the trouble is that they joined the wrong end of the Labour party. I will not go into that now.

Direct representation is the delicate thread that links the people with their Government and the basis of it is that they elect a man or woman they know, can argue with and can get rid of. Do not think that minorities remain minorities for ever. After all, 10 years ago, the environmentalists were bearded weirdos, but it will not be long before Swampy is in the House of Lords. The Dunblane massacre led to the previous Government changing their policy and apartheid ended by popular pressure. Democracy is not what somebody does to us if we vote for them but what we do where we live and work, and Parliament then gets the message. After 48 years here, I can say that Parliament usually gets the message last. We must listen to the people and not try to impose on them a pattern that will provide a permanent coalition and remove real choice from the electors.

Mr. Gerald Howarth (Aldershot): On a point of order, Mr. Deputy Speaker. The right hon. Member for Chesterfield (Mr. Benn) was so interesting and entertaining. May we vote for extra time for him?

Mr. Deputy Speaker: I call Mr. MacGregor.

6.13 pm

Mr. John MacGregor (South Norfolk): As I read the Jenkins report, I became more and more convinced that proportional representation is an idea whose time has gone. Of course, the report contains some good things. At the beginning, it states:

"We all of us believe that any system has defects as well as virtues."

That is a crucial point, because it is easy for the Liberal Democrats to point to some of the defects of first past the post. The real issue for the referendum, if we have to have one, is which system has the greater virtues and the fewer defects. I am glad that the Jenkins report at least recognises that.

In paragraph 19, the members of the commission admit that

"there is no surging popular agitation for change."

They can say that again. I cannot recall ever receiving any representations from any of my constituents about changing the system. In paragraph 7, the report states that the commission, in its hearings around the country, found a near unanimous opinion of

"distrust of any electoral system which increased the power of party machines."

That is a relevant point to the debate that we are having with the other place on the closed list system for election to the European Parliament and is also why the Jenkins report is in favour of an open list.

The majority report continues with two criticisms of the German additional member system. First, it substantially increases the power of the parties at the centre and, secondly, it gives too much power to minority parties—the report refers specifically to the Free Democrats. It is interesting that the Jenkins report makes that criticism of the additional member, or alternative vote, system, because it draws attention to the fact that the result of the Jenkins system would be more coalitions. No wonder the Liberal Democrats are the only people to have come out strongly in favour of the system: they are the only ones who would benefit. That is why they have always been in favour of coalitions.

The Jenkins report also makes some excellent criticisms of the single transferable vote and rightly comes down against it. After all its criticisms of PR systems around the world and how they might be applied here, what are the report's conclusions? It suggests a system based on the alternative vote whose defects even the majority report acknowledges. However, Lord Alexander's minority report is devastating in its criticisms of the alternative vote. He makes it clear at one point that he believes that it is neither fair nor sound in principle. I hope that all hon. Members will read his report, because his reasoning on the unfairness of the alternative is impeccable and very difficult to refute. He describes the alternative vote as "wholly illogical." In a marvellous phrase, he asks why the second preferences of only those who have supported the least successful candidates should be taken into account. Lord Alexander also quotes Winston Churchill describing AV as

"the most worthless votes of the most worthless candidates".

Mr. Bradshaw *rose—*

Mr. MacGregor: I shall not give way, because I do not have long left.

The report recommends a system that is difficult to defend and also even less proportional than first past the post. Lord Alexander also makes that point. The commission therefore had to add a top-up system to try to avoid the danger of recommending a system that is even less proportional than that which we have already. I beg all hon. Members to read paragraphs 116 and 117 because they contain three substantial criticisms of the top-up system in Germany and why it would be wrong to introduce it here. The report appears to conclude that it is a rotten system, but just a little of it might be all right here to prevent us from producing a system that is not as proportional as our current system.

The report also did not deal adequately with the question of two classes of Members of Parliament. I once had a constituency with 110,000 voters, and I know what a heavy burden that is. The Jenkins system would take us back to those days and it also does not deal with tactical voting.

This afternoon, in a delightful speech, the Home Secretary killed the Jenkins report with kindness. If we are to have a referendum, I hope that he will take into account the recommendations of the Neill committee, about which I hope to say more on Monday, and the Jenkins report's remarks about the conduct of a referendum. However, it would be much better if we were not committed to holding a referendum, because the best thing to do with the report would be to drop it now.

6.17 pm

Mrs. Anne Campbell (Cambridge): I welcome the Jenkins report as the start of a healthy and much-needed debate on the way in which we elect our Members of Parliament. It has been my belief for some time that we need a fairer system under which Parliament better represents the views of the voters. It is shocking to think that nearly half the people who voted in 1997 might as well not have bothered, because their votes failed to elect anyone. That state of affairs is very bad for our democracy. In areas of the country with a large majority for one party or another, a large proportion of the votes do not count. That deters people from participating and reduces the turnout. It is an unhealthy democratic situation. We must consider how political parties respond to that situation. In 1997, my party concentrated on seats that could be won on a swing of up to 6 per cent. The Liberal Democrats have long since realised that their lack of people on the ground means that they have to concentrate on seats in which they are in second place, and which they therefore have a chance of winning. That means that only a small proportion of the electorate effectively decides the outcome of a general election.

That situation encourages tactical voting, a sophisticated expression that we have heard in recent years. Large numbers of people are voting for candidates who are not their first choice, in order to keep out the candidate they hate the most. I admit that that has resulted in some spectacular victories for Labour and Liberal Democrat candidates. The success of my hon. Friend the Member for Enfield, Southgate (Mr. Twigg) in beating Michael Portillo was an outstanding example. Tactical voting at the last election apparently produced around 30 more seats for Labour and Liberal Democrat candidates than would have been the case had there been a uniform swing. That was unfair to the Conservative party. On other occasions, it could equally be unfair to other parties. There is no doubt that the electorate is becoming increasingly sophisticated, and is beginning to use tactical voting more than it did previously.

Mr. Oliver Letwin (West Dorset): Will the hon. Lady give way?

Mrs. Campbell: No, I have only eight minutes.

The first-past-the-post group of Labour Members has sent me a document, which was written by my hon. Friend the Member for Middlesbrough (Mr. Bell), a long-time supporter of the system. The document says that the link between a Member of Parliament and his or her constituency will be preserved by a first-past-the-post system. I agree that that is important, but Lord Jenkins has cleverly devised a system that will preserve the constituency link while also enabling voters to have an alternative representative.

I represent a Labour seat in the middle of a Conservative area. I know from experience that many people feel uncomfortable about contacting an MP whom they know to have no sympathy with their views. [HON. MEMBERS: "Nonsense."] I say again that I represent a seat in a part of the world in which it has been rare for Labour voters to be represented by a Labour Member. Throughout the 1980s, and until 1992, the voters of Cambridgeshire were represented solely by Tories. Under the Jenkins system, the constituencies may well still have returned Conservative Members, but the additional MP would have been Liberal or Labour. That would have enabled people who wanted to make representations about the poll tax or fox hunting or any of the other issues that Tory MPs felt unable to speak out about, and to ask the alternative MP to raise their views in Parliament. That would have been healthy.

We have heard it argued that the first-past-the-post system is simple, and that is so. However, are that system's supporters going to tell voters that filling in a ballot paper on which they must list candidates in order of preference is too complicated for them? We are talking about an electorate that regularly does the lottery. If voters can fill in lottery tickets without turning a hair, it is not too much to expect that they can vote under a preferential voting system. I would not advise supporters of first past the post to tell the voters that they are not clever enough to vote under an alternative system. The voters would be less than impressed.

Supporters of the first-past-the-post system also argue that it produces stable government. It has undoubtedly produced stable Conservative Governments in the past, which is why one party here is so opposed to Jenkins. The Conservatives want to shut down discussion before it begins. They are terrified that if people start to see the advantages of a better voting system, they will never be elected again.

First past the post does produce strong Governments, but they can implement policies that should never get through any democratic system. The poll tax once again springs to mind. It also produces a system in which there are only two political views—those in favour, and those against. The adversarial system is extremely off-putting to a large proportion of the electorate, particularly women. Parties and politicians spend too much time bickering and attempting to undermine each other.

There is no room in the system for taking on board someone else's view, or to consider a range of opinion. Being in government means taking all the decisions and trying to make sure that they are sold to the electorate. Being in opposition means little effective participation. All the Opposition can do is make a noise and hope that it will convince people to vote for them next time so that they can have the golden prize. That is not grown-up politics. No one is right all the time. Our political system should be sufficiently grown up to recognise that.

[Mrs. Campbell]

Many of my constituents would prefer to see an end to the schoolboy slanging match that so often demeans debate in the House.

Mr. Gerald Howarth: Sexist rubbish.

Mrs. Campbell: I am sure that the hon. Gentleman will have an opportunity to make his own points later.

The document that I was sent also says:

"In casting their votes, voters may show a preference for a particular party which has no likelihood of forming a government, but they have nevertheless participated in the democratic process as much as a voter who does not cast his or her vote at all and stays at home."

I profoundly disagree. I do not believe that a voter who stays at home has contributed much to the democratic process. For goodness sake, let us have a change of system.

6.26 pm

Mr. Alasdair Morgan (Galloway and Upper Nithsdale): I cautiously welcome the Jenkins report's conclusions. The underlying basis of the system that it proposes has been Scottish National party policy for many years, and it formed the substance of our submission to the Jenkins commission. We did not adopt that stance out of self-interest—the SNP's tactic in the United Kingdom Parliament has been to gain a majority of Scottish seats, and it is far easier to do that under a first-past-the-post system than under any system of proportional representation.

No electoral system is perfect, and none will give us all we want, but the combination of alternative vote and additional Member will balance the needs for proportionality and for the constituency link. I begin to disagree with Jenkins, however, on the number of top-up seats proposed, because that figure is not nearly sufficient to ensure proportionality. The report seems to say that first past the post gives unjustified majorities in many Parliaments, and that that should be corrected if it is a small unjustified majority, but not if it is a large one.

I welcome the split proposed in the top-ups within the electoral regions and the four nations of the United Kingdom. That will allow for regional and national diversity. It will assist proportionality. I welcome, too, the fact that the regions chosen for Scotland are the same as those for the top-up seats for the new Scottish Parliament.

However, there is a substantial difference between the Jenkins model and the Scottish Parliament proposals in the Scotland Bill. At Holyrood, there will be seven additional Members for each region of Scotland, but under Jenkins there will be only one or two. In a three-party system, the availability of one or two extra seats might with a lot of luck just go towards proportionality. However, that certainly will not be so in the four-party system that exists in Scotland.

At the 1997 general election, the Conservatives got 17 per cent. of the vote in Scotland, and no seats at all. In the Scottish Parliament, they would get 17 per cent. of the seats on that vote, but under Jenkins they would get only 8 per cent of the Westminster seats. My own party got 22 per cent. of the Scottish vote at the general election, but only 8 per cent. of the seats. In the Scottish Parliament, we would hope, if that vote were repeated—and we expect to gain substantially more—for 22 per cent. of the seats, but the Jenkins proposals would give us only 15 per cent. of the seats for Westminster. It seems strange to say that one system is unfair yet to correct only a little bit of that unfairness. The Jenkins report is an improvement, but it is a compromise in an attempt to appease those who are against any kind of change.

My last word on top-up Members is that the proposal does not seem to be such a radical innovation. We have it now in Scotland. The hon. Member for Woodspring (Dr. Fox), who opened the debate on behalf of the Conservative party, was appointed some time ago as the Tory top-up Member for Scotland.

Jenkins also proposes, or seems to recommend, a reduction in the number of Scottish Members provided for in the Scotland Bill. I accept that the number of Scottish Members at Westminster should be reduced, but I cannot accept the Government's proposal that the link should be maintained between Scottish Members of the Scottish Parliament and Scottish Members of the Westminster Parliament, so that, when the number of Scottish Members at Westminster is reduced, the number in the Scottish Parliament should also be reduced. In the light of Jenkins's endorsement of the reduction in Scottish representation in this House, there is no longer any justification to maintain a link between the two Parliaments. There is no longer an argument that the two Parliaments should maintain parallel constituencies. I look to the Government for assurance that they will not try to overturn the amendments that have been passed in another place which seek to sever the links between the two constituencies.

We look to the Minister to ensure that there will be a referendum before the next election. If not, the procedures necessary to put these recommendations in place, were they to be approved in a referendum, are such that we could not get to the proportional system at the election after next. There would need to be a Bill to set up a referendum, a Bill to change the voting system, and a Boundary Commission investigation.

My final point is a small one. Is there any reason why we cannot have the alternative vote part of the recommendations now? Is there any reason why we cannot have AV at the next general election?

Mr. Desmond Swayne (New Forest, West): The answer is obvious. The top-up is designed to correct the distorting effects of AV. Therefore, to implement merely AV would make our electoral system even less proportional than it is.

Mr. Morgan: The distorting effect is because we have single-Member constituencies. That is where the main problem arises. The argument used in the minority report is spurious. It is that a vote is worth less if the voter happens to vote for the candidate who comes third—not that the voter knows that his chosen candidate will come third when he votes. I would prefer that the second vote of a voter who voted for the third candidate was taken into account than that all the votes of, for example, 74 per cent. of the voters are ignored, as happens now. That is what happened in the Inverness, Nairn and Lochaber constituency at the 1992 general election. The winner was elected on 26 per cent. of the vote.

That is the kind of nonsense that we need to get rid of. That is why I recommend that we consider having AV on its own at the next election. I suspect that we would need only a one or two-clause Bill to introduce that part of the proposals.

6.32 pm

Mr. Roger Godsiff (Birmingham, Sparkbrook and Small Heath): I am a strong supporter of electoral reform, but not of proportional representation. The Jenkins commission did the best job it possibly could, bearing in mind that it was set an impossible task of reconciling the irreconcilable. I say that because the criteria that it was set were fundamentally flawed.

The main part of the recommendations refers to the alternative vote, which I strongly support. It is an improved version of the first-past-the-post system. It is not proportionate, and was never intended to be in any shape or form. It allows, for example, Labour supporters living in Newbury who know that their candidate will not come first or second, to vote for the candidate of their choice first and to indicate their second preference. Under the present system, they have to make a choice for one of the other candidates, or vote in the knowledge that their vote will be wasted.

In addition, AV does not force people to mark their ballot paper 1, 2, 3, 4, but allows them to put a 1 or an X against their preferred candidate. The vote would be treated in exactly the same way as it is now. The AV proposals are well argued by the Jenkins commission, and are worthy of support.

The second part of the recommendations refer to the additional member system elected on a county, city or geographical area. As I have said, the commission has done the best it can working with flawed criteria. The report states clearly:

"The Commission shall observe the requirement for broad proportionality, the need for stable Government, an extension of voter choice and the maintenance of a link between MPs and geographical constituencies."

It would have been much better if it had stated that the commission shall observe the requirement for the maintenance of a link between constituency Members of Parliament and their constituency.

Let me explain what I mean. Because of the criteria that were laid down, the noble Lord Jenkins and his colleagues have come up with what he has called a "unique British solution". One of the members of the commission, Mr. Lipsey, is reported in *The Observer* as saying that the commission rejected "importing foreign muck". I find it surprising if Lord Jenkins takes such a xenophobic attitude towards the British electoral system, given that throughout his political life he has championed everything European. That is by the bye. One of the members of the commission said that and no doubt Lord Jenkins went along with it.

Let us move on to what this unique British top-up system would mean. I shall cite three examples. In Birmingham at the general election, 10 Labour Members and one Conservative Member were elected. Under the Jenkins proposals for AV, there would be eight Labour Members and one Tory Member. The percentage votes were 56 per cent. for Labour, 27 per cent. for the Tories and 11.8 per cent. for the Liberal Democrats. Under the top-up system, both the Conservatives and the Liberals would have an extra seat.

I mean no disrespect to the Liberals, but I cannot understand how a Liberal Democrat could be called the hon. Member for Birmingham when he has been elected on 11.8 per cent. of the vote. It is illogical. If one wants to give more seats to the Liberals, so be it, but there are other ways of doing it. That is essentially what this is all about, but it is nonsense to give them localised democratic legitimacy in this way.

At the general election, every seat in the county of Surrey was held by the Conservative party. It is a rock-hard Conservative area. Under the Jenkins proposals, there would be seven Tories and two Liberals, with a top-up of one Liberal Member and one Labour Member. Much as I respect the work of Labour party members and candidates in Surrey, I cannot accept that a Labour candidate could be the hon. Member for Surrey, because he would not have been elected by any of the 11 constituencies in that county.

Finally I come to Durham, which is an interesting county. It has seven seats. Under the Jenkins proposals, there would be six Labour Members, with one top-up Tory. As my hon. Friends from the north know, with the exception of Darlington, those seven seats are as rock-hard as ever there will be. They have been Labour for time immemorial. In the county of Durham, every vote cast for the second candidate—the list candidate—by Labour supporters would be wasted. It would not matter if the Labour candidate at the top of the list in Durham got 99.9 per cent. of the votes, he or she could not be elected. That is nonsense, and a betrayal of democracy.

I do not oppose giving the Liberals more seats, but if we are going to do that, let us be honest about it and give them seats. We should not make out that we are imposing democratic legitimacy by aligning such seats with a localised area. It will not work, and it will be deeply resented by Members of Parliament who are elected for constituencies, whether by first past the post or by the alternative vote system. That proposal is the flaw in the Jenkins proposals, and I hope that the Government will not go down that path.

6.40 pm

Mrs. Eleanor Laing (Epping Forest): We have heard many theories about how our electoral system should be conducted. Theories are all very well for academics, but they do not work in practice. Our first-past-the-post system has developed over centuries, and does work in practice. I am fed up with hearing how there are no Conservative Members in Scotland or Wales. The reason why there are no Conservative Members in Scotland is simply that the people of Scotland, or the vast majority of them, did not want any Conservative Members. They got what they wanted. I am not happy with that, but I accept it, just as the people of Surrey have no Labour Members; long may that remain so.

The talk of the hon. Member for Cambridge (Mrs. Campbell) of wasted votes is nonsense. A vote is never wasted. The talk of safe seats where one's vote does not count if one does not support the party likely to win is also nonsense. I can name at least 100 former Conservative Members who would testify to that, because they thought that they were in what are called safe seats. The people voted against them. I am sorry that they did, but that is what democracy and giving power to the people is about—not the gerrymandering that would become part of our system if the Jenkins report were implemented.

[Mrs. Eleanor Laing]

We must not be so arrogant as to sit in academic rooms and examine theories while ignoring the lessons to be learned from other legislatures. With several other hon. Members, I have just returned from New Zealand. Lord Jenkins mentioned in his report the mixed member proportional system introduced in New Zealand for the 1996 general election. He is dismissive of the difficulties that the people of New Zealand are experiencing as a result of its introduction.

I want to present evidence from someone who really knows about the system, the Speaker of the New Zealand Parliament, Mr. Doug Kidd. He explains some of the difficulties in the New Zealand Parliament, and says that proportional representation

"involves members being elected for individual constituencies and also from party lists. Its essential feature is that the overall party composition of Parliament is the same as the proportions of the national vote that parties obtain at the election."

That is all very well in theory. He continues:

"From having a well-established, two party parliamentary system, New Zealand has moved to a multi-party system. There are at present six parties represented in Parliament, with no single party having an overall majority. Coalition or minority government has now become the norm."

Lord Jenkins suggests that coalition and minority government would not be the norm under his system.

Mr. Radice: It is a different system.

Mrs. Laing: Labour Members say that it is a different system, but a proportional system produced that result; it always does. It is arrogant only to look at theories and ignore practice. It is clear that some Members want to stay in the ivory tower of academia. I am talking about what happens in practice, and I am bringing news of exactly what happens in New Zealand.

The Speaker of the New Zealand Parliament adds that the introduction of the system

"has involved a massive culture shock for politicians who were used to the old system and . . . for society as a whole which had clearly not appreciated the implications of it and which now appears to be a little uncertain about the results."

That is putting it mildly.

The first question that everyone asks New Zealand Members of Parliament is, "Are you a real MP or were you elected on the list?" That is what happens in practice. It is insulting, because introducing two classes of MP means introducing a difference between them, and one group will always be second-class MPs. The other problems that arise from the New Zealand system are well documented by their Parliament's Speaker, and I should be glad of another opportunity to tell hon. Members about them.

Another problem arises from coalition government. As the right hon. Member for Chesterfield (Mr. Benn) said, the people get a Government whom no one elected. As happened this year in New Zealand, the parties that come first and third in the polls are the ones that matter, because they do a deal to form a Government. Their manifestos are merged, and the people get not what they voted for in the majority, but a mish-mash of the manifestos of the first and third parties. What of those who voted for the party that came second? They do not count at all. It is nonsense to suggest that a so-called proportional system is fairer; it is not.

Our system is not only fair, but one that people understand. People can vote tactically if they wish to. I was amazed that the hon. Member for Cambridge was so dismissive of the electorate's ability to vote tactically. They are entitled to if they wish. We have an intelligent electorate, who understand how best to cast their votes. They know that their votes are not wasted. My party supports our traditional system, not because it is good for our party—clearly, looking at the Conservative Benches, it is not—but because it is best for our country and for democracy. We put first not the party's interests, but those of the country.

6.47 pm

Mr. Stuart Bell (Middlesbrough): I am glad to follow the hon. Member for Epping Forest (Mrs. Laing), who made a point different from that of my right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman). He gave a clear view of where the Labour party stood and she finished her speech talking about where the national interest lay. I shall speak briefly on the national interest. I must tell my hon. Friend the Member for Cambridge (Mrs. Campbell) that the debate will be constructive, not destructive. We will not fall out on the issue but join the debate, talk to each other and reach conclusions that will eventually be put to the country.

I want to refer to criticism of the Jenkins report from a party that is not represented in the House and therefore has no voice. It writes:

"the use of the Alternative Vote will create as many anomalies as at present;

two types of Member of Parliament will be created, one with a larger constituency to look after, the other free to swan around Parliament furthering his political career;

the proposed party lists will put words into the mouths of the voters;

there is in-built discrimination against independents and minority interests. In particular, independent candidates will not be able to stand for the "top-up" ballots . . . If there is to be a referendum on these proposals",

the party will campaign against them. As one who will participate in the national campaign, taking up the offer of the right hon. Member for Berwick-upon-Tweed (Mr. Beith) and the statement of the Home Secretary that we should take the campaign to the country, I welcome the Liberal party to our debate.

Mr. Beith: They are the Wee Frees—the few who did not join us.

Mr. Bell: It is the genuine Liberal party, Mr. Deputy Speaker.

The right hon. Member for South Norfolk (Mr. MacGregor) referred to the German situation. Many of us hear that Germany is a stable democracy with a powerful economy. We ought not to relate the two. One can have a stable Government and an economy that is not stable, or a stable economy and a Government who are not stable. After the last election in Germany, it took a month for the German Parliament to come to a conclusion between the red-green parties and the Social Democrats. I picked up a statement made by the German president,

Roman Herzog. He said that the new Government must find the courage for "vital change." He said:

"We need reforms and we don't have that much time. The world won't wait for us."

That does not seem to me a ringing endorsement of the coalition Government who have now been turfed out of office.

We all enjoyed the vignette of my right hon. Friend the Member for Chesterfield (Mr. Benn). Literary criticism has been rife in this debate, so it is quite nice to say that it was a vignette. It was a wonderful speech from a right hon. Friend who has been in this Parliament for 48 years. I am glad to be joined by my right hon. Friend the Member for Ashton-under-Lyne (Mr. Sheldon) because he and my right hon. Friend the Member for Chesterfield share a common experience. They were in the minority Government from 1978 to 1979—a Government who fell when the Liberals withdrew their support for the Labour Government. The Liberal party refused to support worker participation in the Bullock report. Lord Callaghan, who was the Prime Minister at that time, told me specifically, "We could not get worker participation through that Parliament because there was no support from the Opposition party." We were supposed to have the Lib-Lab pact.

The right hon. Member for South Norfolk referred to a statement made by Winston Churchill in 1930. Jenkins in his report says that the House of Commons accepted electoral reform in 1930. It did so because the minority Government of Ramsay MacDonald had their arm twisted off. They were told by the Liberals that unless he gave them electoral reform, they would not support repeal of the Trades Disputes and Trade Unions Act 1927. The Liberals even then were dictating terms to a minority Labour Government. In the end, MacDonald agreed in order to get two more years in office. He was overwhelmed by the catastrophic international crisis of 1931, and we had to wait until 1945 to see a repeal of the Trade Disputes and Trade Unions Act 1927.

My hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart) said in an intervention that all the emerging countries of Europe had chosen a system of proportional representation. Let me simply quote what the shadow Foreign Secretary of the Czech Republic has said in a letter to *The Times*. He says:

"We have found that PR leads to an unhealthy, inequitable, fragmented political environment, with larger parties subjected to blackmail by the smaller parties."

That is a statement from a new republic that went down the road of PR and is looking to get back to a majority or first-past-the-post system.

The point has been made often—the hon. Member for Galloway and Upper Nithsdale (Mr. Morgan) referred to it—that Lord Jenkins did not have the courage of his convictions. If he had, he would have taken up the proposals of 1917, to which my right hon. Friend the Home Secretary referred. Jenkins said that he accepted them and wished that they would be accepted. The proposals were for a transferable vote and an alternative vote throughout our land. He might have given minority parties a 5 per cent. threshold. The Liberal party, which has had scorn poured over it from the Opposition Benches, might have had a chance of being represented here. The Green party, to whom my right hon. Friend the Member for Chesterfield referred, might be represented in the House. Even minority parties such as Arthur Scargill's Socialist Labour party might be here, but Lord Jenkins did not go down that road because as president of the Liberal Democrat party, he is trying to increase the number of Liberal Democrat Members of Parliament.

We have heard a lot about the alternative vote. If the alternative vote had been extant at the last general election, it would have reduced the number of Conservative Members to 62 and increased the number of Labour Members to 450. It would have added volatility to the system. The top-up is needed to rectify the volatility. Lord Jenkins's report would create volatility. It is nothing to do with first past the post. He creates volatility through his alternative vote and then seeks to stabilise it with a new system of top-up Members of Parliament.

The first-past-the-post system has given us stable government. It gives us the constituency link. My hon. Friend the Member for Cambridge referred to accountability; it provides accountability. It also gives us the doctrine of mandate; we have not heard too much tonight about the doctrine of mandate. Every party puts forward its proposals in a general election and the country votes on them. The manifesto is there; we are there to fulfil the manifesto commitments. If we fail, we should say why. If we are not successful, the public have a chance to turn us out.

Our campaign will go to the country. We will debate this issue. We will campaign on it on a party basis in the sense that all those who are opposed to the changes will join together. We will campaign with trade unionists, academics, and business men. We will let the people of our country know what the alternative system means. We believe that when the people can see what is on the table, they will support the present system.

6.55 pm

Mr. Robert Maclennan (Caithness, Sutherland and Easter Ross): The hon. Member for Middlesbrough (Mr. Bell) covered a good deal of recent history, or relatively recent compared with the history of the barons with which we were regaled by the right hon. Member for Chesterfield (Mr. Benn). The hon. Member for Middlesbrough demonstrated how wise the Labour party was before the election to enter into an agreement that the issue of the electoral system should be put to the electors for their decision during the lifetime of this Parliament. For history, and recent history is no exception, suggests that when parties enter Government under a system of election that has favoured them, they are reluctant to alter that system by simple fiat. The hon. Gentleman is in the line of that historical tradition.

It is highly encouraging that so many Labour Members, many of whom have spoken in the debate and many of whom will not have the opportunity to speak because of the duration of the debate, take a more principled view and have argued strongly the case which, although headlined by the right hon. Member for Chesterfield, was not developed quite with the logic that it deserves. The right hon. Gentleman, with great passion, reached the climax of his speech with a declaration that "The people want to be represented." To that I say yes. He is entirely right, and that is the justification for the Jenkins commission's report.

It is the people's interest with which we ought primarily to be concerned, not putative views about what the impact of change might be for people who have shown an ability

[Mr. Robert Maclennan]

to adjust to some extent to whatever system they have. The capability of the present system to adjust to take account of people's views has been stretched beyond breaking point. The time has come to recognise the appalling distortions that the first-past-the-post system has caused in our democracy. Those distortions have made the system so incredibly unrepresentative in so many large parts of our country that at this time, there is no voice for Conservatives in any of the great cities in England.

Mr. Graham Brady (Altrincham and Sale, West): Will the right hon. Gentleman give way?

Mr. Maclennan: No. I, too, am obeying the rubric about brevity so I will not take interventions on this occasion, although I hope that we shall have other occasions on which to deploy these arguments.

The Jenkins commission was set up wisely and in fulfilment of the pre-election undertaking of the Liberal Democrats and the Labour party. In that sense, it is clear that the commission had two parents. It could also be said to have achieved legitimacy of support when, at the general election, the electorate backed those two parties to the extent of 64 per cent. of the vote. The commitment to hold a referendum within the lifetime of this Parliament was part of that undertaking and we look to the Government to fulfil it. I heard what the Home Secretary said about the complexity of the issues, but no one doubted that they would be complex when the two parties reached the agreement to which he put his signature, along with four other current senior Cabinet Ministers.

If the system is to be tested by the people, it should be tested close in time to the raising of the issues by the Jenkins commission, so that the arguments advanced are germane to the circumstances in which we live today.

Dr. Brian Iddon (Bolton, South-East): Will the right hon. Gentleman give way?

Mr. Maclennan: I cannot give way, for the reasons I have already given.

The geographical rubric and requirement that the Jenkins commission had to take into account was a wise one, given the extraordinary distortions that the present system has produced. By its compromise, the commission has resolved that difficulty far better than any of the other systems that have been proposed would have done. The Liberal Democrats proposed a single transferable vote, and to those who say that Lord Jenkins was a kept chairman, I can say that he has robustly rejected the arguments that I advanced on behalf of the Liberal Democrats and explained why our proposal would not meet the criteria set down by the Prime Minister. That is undoubtedly true.

There has been a trade-off between proportionality and maintaining the constituency link. On reflection, I think that Lord Jenkins was probably right to take the view that, for many British people, the constituency link remains extremely important. It is the place in which they see their Member of Parliament acting to represent them, which the right hon. Member for Chesterfield regards as being of vital importance.

Now that the right hon. Gentleman has returned to the Chamber, may I take him up on one issue? He suggested that Lord Jenkins's proposals would give enormous power to political parties, but that is not borne out by the recommendations of the Jenkins report, which has clearly avoided the trap of the closed electoral system. Nor can it be argued that the proposed system is in any way worse than the existing system.

In the early 1980s, the right hon. Member for Chesterfield devoted considerable effort to ensuring that Members of Parliament who were not of a like mind to his could be, would be and, in some cases, were deselected by the Labour party. That was a highly controversial matter and it had nothing to do with the electoral system; it had a great deal to do with the centralising tendencies of the Labour party at that time. It is those problems on which the right hon. Gentleman should focus, if he genuinely wants power to be dispersed. The undoubted strength—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order.

7.3 pm

Mr. Gerald Bermingham (St. Helens, South): Earlier, two arguments were advanced of which the House should take no notice. The first is that more than half the electorate at the last election had no hope of electing anybody. If we introduce any system with a threshold of 50 per cent., the 50 per cent. who did not vote for the person who gets 50 per cent. cannot elect anybody either; therefore, the argument is nonsense. The second argument is that we are childish and this place is noisy because we have an adversarial system. I invite my hon. Friend the Member for Cambridge (Mrs. Campbell) to go and watch the Dail Eireann, the American Congress, or Italy's Parliament at work. Be realistic: wherever there are a Government and an Opposition, there will be a row, so that argument does not wash.

Let us look at the proposals. What is proposed is a system that elects Members of Parliament. Good, say I. However, some say that we have to have a system that irons out the imbalances. Well, last night I rang up a mate of mine who lives in Mountain Ash in Wales. I said, "You've got Assembly elections coming up and we are having a debate on Jenkins," and asked his opinion. He is a shrewd old lawyer and he replied, "Yes, after we get a two-tier system in Parliament, I'll have three community councillors whom I can ask for advice; I'll have several county borough councillors; I'll have my Assembly man and my top-up Assembly man; I'll have my Member of Parliament and my top-up Member of Parliament; and finally I'll have my MEP, and sure enough they'll give me a top-up there as well." He went on, "And you know something? They can belong to five or six different parties." That, in a nutshell, is the lunacy of the proposed top-up system.

What is a Member of Parliament meant to do? He is meant to represent his people. He or she is not a servant of his party, but a servant of the electorate and his or her first loyalty is owed to the electorate. If we adopt the proposed system, there will be a group of Members of Parliament who are not the servants of the people, but the appointees of the party. I am sorry, but that is not democracy by any definition.

Let us have a debate. I might be accused of being a dinosaur because I am over 35 and have been through many elections that were won by the first past the post,

but I would remind my accusers that, when I was first elected in the bad old days of 1983, I had 46 per cent. of the vote; I did not have the magical 50 per cent., although I have a lot more than that now. Since 1983, my party has looked at itself and realised that the party we had in 1983 was one of which none of us were proud. In the intervening 16 years, whether we come from the left or the right of the party, we have worked on the electorate, sold our policies, refined our policies and asked the electorate what they wanted.

Eventually, all our efforts came good, but it took a long time. We had once written the longest suicide note in history. The Conservative party took 18 years to write its suicide note and, when it was delivered, the party was executed. I hope that it takes the Conservatives 28 years to listen to the people and rewrite their policies. Perhaps they will win again, but that is democracy; that is the will of the people, and if the people want to get rid of someone, they do so. If we adopt the proposed system, how are we to get rid of the top-ups? Incidentally, how do we hold a by-election during the lifetime of a Parliament? The answer is that we cannot. Are the people to be told, "Mr. Smith has been appointed your Member of Parliament"? Get off with it.

Mr. Swayne: Will the hon. Gentleman give way?

Mr. Bermingham: No, I cannot.

That is not democracy; it is electoral dictatorship. How are the electorate to overturn a Government in the middle of their term of office if they cannot boot out the Government party at a by-election?

I looked at the list for Merseyside to see how we would be topped up. I am supposed to be grouped with Bootle and Southport—

The Parliamentary Under-Secretary of State for the Home Department (Mr. George Howarth): And Knowsley.

Mr. Bermingham: And Knowsley, God help me. In fact, Knowsley and St. Helens have a natural affinity with Warrington and the surrounding area, or west Lancashire. In short, there are natural affinities between certain areas, so the proposed system will lead to the sort of rows with the boundary commission that we had in the late 1970s and early 1980s. I should declare an interest at this point: I was the solicitor to the parties who fought the boundary commission in the late 1970s and early 1980s, and I was solicitor to the Labour party. I realised just how difficult boundary-drawing exercises are. Can we not remember that sometimes simplicity is best? We have simplicity in our system, and it is the best.

7.9 pm

Mr. Robert Syms (Poole): This is a well-attended debate, I think because we are talking about first principles. *[Interruption.]* I have attended economic debates with fewer Members present. We are talking about how we derive our authority and do our job. When it comes down to it, we probably all have quite strong opinions about how we want to represent people in our areas.

The key point about the first-past-the-post system is that, far from being a withering, minority system around the world, it is used in 62 countries, by nearly half the world's electorate. It is simple and quick. It is all very well saying that members of the British public can use complex systems, but there are many elderly and near-sighted people and others who would find it difficult to adjust to a new system. Sadly, even under our simple system, votes are wasted because some people cannot use a ballot paper. I fear that under Jenkins's proposal we will have far more wasted votes from people who cannot understand how to fill out both ballots.

The key point about our current system is that we have coherence and transparency in public policy. Parties coalesce in advance of elections to agree a platform that they put to the public, who then choose whether to back them. In government, that platform—the manifesto—is carried out. After a period, people decide whether they wish that party to continue in office. Under our system, it is possible to elect Governments on a platform which they carry out and on which they are judged. If the judgment is that the Government's performance has been poor, our system is decisive in turning that Government out.

The most valuable aspect of our political system is the power of the electorate to dismiss a Government who lose their way—as the British electorate periodically do dismiss Governments, resulting in the appearance of furniture vans at No. 10. My party was, to some extent, on the wrong side of that last year—quite rightly, because that is democracy—when the electorate gave us a good hiding, but, as a democrat, I have to accept that that was what the electorate wanted. Given that the current Government have only 43 to 44 per cent. of the vote, under any kind of proportional system, we might have stayed in office if we had done a deal with the Liberal Democrats. The reality is that we have a system that can push unpopular Governments—Governments who lose their way—out of office.

We also have a system, rooted in the individual based in a constituency, that tempers party control. We must all be careful that we allow people to be elected to the House who are lone voices; who are out of favour with their party; who can make a contribution with which the majority of us may not agree. Even Winston Churchill was out of step with his party in the 1930s, but he knew that, if the good burghers of Epping Forest supported him, he would be returned here and he could give voice to his views. That is the key.

Jenkins's proposals devalue the constituency link because they create two categories of MP. They would increase the size of constituency—and hence the work load—of geographically based Members, but would reduce the work load for those swanning around, as was said earlier, looking for preferment.

There are times when we all get lots of letters and have to work hard for our constituents. We may think it would be nice not to have any constituents. In reality, however, much of my education comes from my postbag and from meeting and visiting my constituents. That is an important part of our political system.

Over the years, proponents of proportional representation have always said that it would be fairer and better. The real test, and the test of Jenkins, was to come up with an alternative system. Jenkins has come up with an alternative system and has failed the test. The proposals are a ragbag. The alternative vote, as was pointed out earlier, is a volatile system. So we end up with a more volatile system, trying to balance it with a list system. There is no logic in that.

[Mr. Robert Syms]

Of the five members of the commission, one produced a note of reservation, which, in a political party, would be called a split. Even the committee does not have a united view. Lord Alexander's comments were perfectly sensible, and attention should be paid to them.

Why the magical 50 per cent. in the alternative vote? Each vote is equal, no matter whether the vote is for someone's first, second, third or fourth choice. Why should someone's fourth choice outweigh someone else's first choice? Votes could be weighted so that someone's second or third choice was worth less and then topped up, but why equal them out? Under the proposed system, the least worthy candidates—the second, third and fourth preferences—outweigh the most worthy candidate, the first preference.

One of the best jokes in the Jenkins report was the suggestion that, because people would need second preferences, the alternative vote would mean that people would be kinder to each other and that there would be a less adversarial system. In the Australian system, which uses AV, water is occasionally chucked across the table—a robust system. No one who knew that system would think that the alternative vote led to kinder politics.

With the list, we would have the unusual system whereby a Government with a majority of one would hope that any death would be of a Member from the list, which would mean no by-election, rather than of someone who represented a constituency where the Government might lose their majority. There is no equity in that at all. At the moment, we are elected on an equal basis. We might argue about the size of our constituencies or the geographical areas that we represent, but in reality we are here on the same basis. There is equality. We speak with the same authority. The proposal diminishes that.

I am strongly opposed to the arrival of a day when we refer not simply to the hon. Member for Poole or North Wiltshire, but to an hon. Member for the list from Birmingham or the list from Sussex. That would be a retrograde step.

Lord Jenkins has not come up with a workable, sensible alternative to the first-past-the-post system. I support the current system. It is not a system under which my party is prospering. There is an argument that because we do not distribute our vote equally, we are deficient. It is for the Conservative party to sort out its policies, to persuade the electorate, to target and campaign and to try and win a majority of seats in the House. If we cannot do that, we do not deserve to be on the Government Benches and to have a majority in the House. That is what we have to do, and that is the thought that we need to hold on to.

7.16 pm

Mr. Martin Salter (Reading, West): I am not in favour of the Jenkins report—for reasons entirely different from those cited by Conservative Members. Many of the arguments were eloquently made by my hon. Friend the Member for Birmingham, Sparkbrook and Small Heath (Mr. Godsiff), but there are no absolutes in the debate. There is no perfect system and, to be honest, we are probably the worst people to debate this subject. After all, we are not exactly impartial.

There is a case for change, however, and we should not diminish the arguments of those who put forward the case for change. Yes, the first-past-the-post system is simple, but the electorate are capable of listing people: 1, 2, 3. As was said in *The Guardian* recently, most four-year-olds make a more complicated decision when deciding on their breakfast cereal each morning. Some arguments put by Conservative Members against the alternative vote are spurious, to say the least.

The first-past-the-post system is simple, but it produces a confrontational style of politics, and politics is not only what takes place in this Chamber. If the United States is held up as an example of stable government, as a model for us to follow, I would cite yesterday's congressional elections. A 36 per cent. turnout is not something to which we should aspire if we want a participative democracy.

There is the oft-quoted example of the Member who was elected in Inverness—I cannot remember quite when—on 24 per cent. of the vote. More than three quarters of his electorate did not want him as their Member of Parliament. That makes a powerful case for change. But the problem is that Lord Jenkins had four criteria. To hear the howls of protest from Conservative Members one would think that there was some conspiracy at work. But Jenkins had to come up with a system that gave us broad proportionality, retained the constituency link, extended voter choice and produced stable government. There is no conspiracy; those criteria are simply not achievable. No one could come up with a system that met those four criteria—so let us give the noble Lord a break on that one.

The Jenkins report has blown it. I support electoral reform, but not proportional representation. The breaking of the constituency link makes the Jenkins report unsupportable. That constituency link is the foundation stone upon which our system of representative democracy is built. It gives us the authority to speak on behalf of ordinary people in the Chamber. Without that constituency link, we have no authority. Hon. Members have made clear the absurdity of having two classes of Members of Parliament. Whatever happened to first among equals?

Mr. Alan Johnson (Hull, West and Hessle): It is a rubbish novel.

Mr. Salter: No, it is not. I also believe that the system is a recipe for civil war inside the Labour party. The constituencies of many Labour Members are surrounded by those of other Labour Members. Will we spend the next three, four, five or eight years deciding which of our number will be chopped? I think not. This system is not a recipe for a cohesive parliamentary party.

It is time to destroy some myths about the alternative vote. The Conservatives attack it for not being proportional enough, yet you use it to elect your leader, do you not?

Mr. Deputy Speaker: Order. I remind the hon. Member for Reading, West (Mr. Salter) that he is addressing the Chair.

Mr. Salter: I apologise, Mr. Deputy Speaker. I was addressing the Chair in a roundabout way.

Conservative Members use the alternative vote system to elect their leader. They reject more proportional systems and then attack the alternative vote for not being proportional enough.

Mr. James Gray (North Wiltshire): Will the hon. Gentleman give way?

Mr. Salter: No, I do not have time. The alternative vote is important because it enshrines honest, tactical voting. We have tactical voting in our present political system, but it relies on our second guessing how our neighbours may or may not vote. Politicians play an absurd game of double bluff.

AV has distinct advantages: it rewards parties that work together, punishes extremists, provides Governments with clear, workable majorities and meets three of the four criteria set down for the Jenkins commission. I agree with the hon. Member for Galloway and Upper Nithsdale (Mr. Morgan) who said that we could introduce the alternative vote system now. I would prefer to take this debate even further and examine both Houses of Parliament. I think that there is a compelling and powerful case for using the alternative vote—with its clear majority and clear mandate and its generation of stable government—in this place and a pure proportional system in a second Chamber.

I believe that, by breaking the link between a Member of Parliament and his or her constituents, Jenkins has become unsupportable and will be consigned to the dustbin of history.

7.21 pm

Dr. Julian Lewis (New Forest, East): Using a rather unfortunate simile, the hon. Member for Cambridge (Mrs. Campbell) compared voting under the Jenkins system to filling in a national lottery ticket. Many hon. Members on both sides of the House agree that that comparison is all too accurate. If the Jenkins system were implemented, instead of voting for what they knew they would get if enough of them voted in the same way, people would be voting for a mish-mash, for confusion, splits, backroom deals and for an outcome that no one could predict in advance.

If ever there were a case of "physician, heal thyself", it is this report. All five members of the commission were committed to electoral reform, but they could not reach a unanimous verdict among themselves. Various right hon. and hon. Members have referred to the dissenting report by Lord Alexander, and I shall put a little of that on the record in the short time available to me. In the second conclusion of the main report, the Jenkins majority admitted:

"On its own, AV would be unacceptable because of the danger that in anything like present circumstances it might increase rather than reduce disproportionality".

The commission drew attention to what is called in the overall report a

"Note of Reservation by Lord Alexander."

Anyone else would call that a minority or dissenting report. However, these guys do not believe in minorities and majorities, let alone—heaven forbid—dissent. So it is a "Note of Reservation". In that note of reservation, Lord Alexander says:

"AV comes into play only when a candidate fails to secure a majority of first preference votes. It does not, however, then take account of the second preferences of all the voters, but only of those who have supported the least successful candidates. So it ignores the second preferences of the voters who supported the two candidates with the highest first preference votes"—

in other words, the parties that came first and second—

"but allows the voters for the third or even weaker candidates to have their second votes counted so as to determine the result.

I find this approach wholly illogical. Why should the second preferences of those voters who favoured the two stronger candidates on the first vote be totally ignored and only those who support the lower placed and less popular candidates get a second"—

he could have added third, fourth or fifth—

"bite of the cherry?"

Let us move from the alternative vote to the actual Jenkins formula. That formula would create a situation whereby coalition became the norm—it might not always happen, but it would happen much more frequently than in the past. The central question is not whether this system is better than that system which is better than the other—which might be worse than a fourth, fifth or sixth system—but whether a coalition result is a better outcome than a decisive result and single-party government. That is the key to the whole debate.

If we believe that it is more important to have single-party government than coalition government, there is no need to change the present system. However, if we believe that coalition is better, we must defend the disproportionate amount of power that is granted to parties that come third, fourth or fifth in the election result in persuading them to join the Government. That issue is not tackled properly in the report. The commission cites Germany as an example. Paragraph 56 of the report says that, in Germany, the single transferable vote has

"undoubtedly made coalition the norm, but not inevitable."

I would reply that the British system makes coalition the rarity, but not impossible.

Lord Jenkins explains in the report how 13 years of coalition between the Free Democrats and the Social Democrats in Germany were succeeded by 16 years of coalition between the Free Democrats and the Christian Democrats. If we had seen then the result recently achieved in Germany—and the Greens instead of the Free Democrats had held the balance of power—what would have happened at the height of the cold war? This is one of my hobby horses. What would have happened if the Greens had been in the position of the Free Democrats? During the cold war, the Free Democrats were able—using a small minority of votes—to command the foreign and the defence ministries. The Greens have now done much the same. With less than 7 per cent. of the vote, the Greens command Germany's foreign ministry. Is that democratic? Is it proportional?

The reality is that coalition government makes up for the increase in proportionality between the votes cast and the members elected with a decrease in proportionality in the actual distribution of power between the parties. The minority partner in the coalition has a stranglehold on the majority.

[Dr. Julian Lewis]

I conclude by giving an example using the system that was forced upon the newly emergent democracies. In Slovenia in 1992, a centre right coalition comprised of about six parties was forged after a general election. However, an issue arose that split off the Social Democrats and the Greens. Those parties decided that they did not want to play any more and would take the ball from the field—in fact, they wanted to take the ball and join the opposing team. So the people of Slovenia went to bed with a centre right Government in power, and awoke the following morning to a centre left Government comprised of the Greens, the Social Democrats, the former communists and the socialists. There was a total change of government, and not one vote was cast in an election.

I discussed this question a few years ago with a distinguished British psephologist, Dr. Robert Waller, who encapsulated the essence of the argument more concisely than I ever could. He said that the introduction of proportional representation into this country would be the largest single transfer of power from the people to the politicians in British political history. That says it all, and that is why we must reject that system.

7.29 pm

Mr. Richard Burden (Birmingham, Northfield): Like other hon. Members, I apologise in advance for the fact that time will prevent me from taking any interventions.

We have had a thoughtful debate. I particularly enjoyed the speech of my right hon. Friend the Member for Chesterfield (Mr. Benn). I agree with him that we are discussing the nature of our democracy. That is the key question before us. Before we become too sanguine or too complacent about our electoral system, it is worth reflecting on the disconnection that so many of our citizens feel from the political process. The turnout in the last election was the lowest since the 1930s.

Many factors contribute to that sense of disconnection. The electoral system is an important part of the political landscape. Polls taken recently show a great deal of support among large sections of the British people for changing the system. My hon. Friend the Member for Reading, West (Mr. Salter) was right when he said that the important debate is not the one in this place, but the one that takes place outside. We must listen to what the people say.

Time is short, but I shall comment on three parts of the Jenkins report. Many of the media attacks on the report have been attacks on things that are not in the report, but I do not find that surprising from Opposition Members. When I turned up for the launch of the Jenkins commission, I was ushered into a room where a Conservative party press conference was taking place. All the pitfalls of the Jenkins report were being pointed out. There was just one problem: the report had not yet been published, and those at the press conference did not know what was in it.

The three issues that I shall address are the constituency link, the top-up and, if time permits, coalitions. On the constituency link, it is true that certain proportional systems abolish that link. The Jenkins system is no such system. If the Jenkins recommendations were implemented, every elector in every constituency would be able to elect a constituency Member of Parliament. That important principle is retained by the Jenkins commission.

Although we in the House value the constituency link, it is worth while listening to what the people say about it. We do not always get the form of the constituency link right. We need to consider how the hours of the House and our resourcing work with the constituency link. I believe that there is room for improvement. Let us be clear that the Jenkins report retains the constituency link.

The second point concerns top-ups. The hon. Member for Epping Forest (Mrs. Laing) spoke about the New Zealand experience. I have some differences with her analysis, including the fact that the polls in New Zealand do not show support for the return of first past the post. She is right, however, to say that there is dissatisfaction with the mixed member proportional system there. The Jenkins system is not the same as the New Zealand system. It is important to put that fact on the record.

There have been several comments about centralisation in political parties. Those concerns are legitimate. I am also worried about centralisation in political parties, but there is no God-given law decreeing that that happens only under proportional systems. It is political parties, not electoral systems, that centralise power. If we were introducing the first past the post system, hon. Members could argue that that would centralise power, because it would require parties to contest elections with closed lists of one candidate. That is what the first past the post system involves.

Under Jenkins, we are not dealing with straight party lists. The commission makes it crystal clear that the top-up Members of Parliament will be from an open list system. Electors will have the right to vote for candidates, and they will therefore also have the right to remove those top-up Members. The open list system will be used. It is not a centralising mechanism and will genuinely empower the voters.

Another criticism of the top-up system is that it will produce two classes of Members of Parliament. It is true that, under the Jenkins system, there will be more than one person who can call himself or herself the Member of Parliament for a particular area—the constituency Member and the top-up. However, the top-up will not be a floating Member, as has been suggested; he or she will represent a clear geographical area.

Some of us may feel that our constituencies are our personal property and that no one else can have a say in them. I do not feel that. If I did, I do not know how I would work with councillors in my constituency or with Members of the European Parliament. When regional government comes, it will force us to confront the issue. I see no problem in more than one person representing an area.

If it is suggested that there would be two classes of Members of Parliament, let us consider what we have at present. It is true that we all arrive at this place by the same route, but can we honestly say that there is only one class of Member of Parliament? Can we say that the job of constituency caseworker, law maker, member of the Executive, Opposition spokesperson and Government

spokesperson are all the same job? They are not. Members in safe seats are not subject to the same pressures as Members in so-called marginal seats.

Mrs. Laing *rose—*

Mr. Burden: I am sorry, I cannot give way. I must stick to what I said earlier.

I shall deal briefly with the third point—coalitions. It has rightly been said that, under the Jenkins system, many of the elections that have taken place since the war would have resulted in single-party government. It is not true to say that the Jenkins system would automatically lead to coalitions.

My right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman) said that the Jenkins proposals will split the Labour party. I do not believe that. In the Labour party, we have a body of principles and policies that we share, under whatever political system we operate. However, it is true that every political party in Britain, unless it is a party of one, is a coalition. There are different views in every party.

I ask hon. Members to ask themselves whether it is healthy for coalitions of political parties to operate under an electoral system that forces them all to address the concerns of a few hundred thousand voters in about 100 marginal seats, rather than the concerns of the electorate as a whole. Whether coalitions are good or bad depends not on the electoral system, but on whether the electorate gives a clear view and whether the coalitions are honest, open and transparent. The Jenkins system offers a far greater chance of achieving that than the present system.

The debate will go on. It must take place outside, as well as in this place. I agree with my hon. Friend the Member for Middlesbrough (Mr. Bell) that we should conduct the debate in a grown-up atmosphere, so that it informs the British people and they can choose the democracy that they—

Mr. Deputy Speaker: Order. The hon. Member must resume his seat.

7.37 pm

Mr. Desmond Swayne (New Forest, West): On a point of frustration, Mr. Deputy Speaker, if you will indulge me. The points that I shall make could easily have been dealt with in interventions, if Labour Members had been a little more generous with their time. I know that the time available is limited, but the Chair has some discretion. This business is killing debate.

Had I been allowed to intervene, I would have dismissed the argument—

Mr. Deputy Speaker: Order. The hon. Member will be allowed injury time as a result of my intervention. May I point out that interventions are perfectly permissible. They do not take time away from the hon. Member who is speaking. It is entirely at the discretion of the hon. Member whether he or she gives way. The point made by my predecessor in the Chair was that interventions simply take time out of the debate as a whole.

Mr. Swayne: Thank you, Mr. Deputy Speaker.

First, I dismiss the notion that the leader of the Conservative party is elected by some form of alternative vote. If any analogy is to be drawn, it would be to the French system of run-offs, which is much closer to the British electoral system than to any form of alternative voting. The choice of system is a matter of horses for courses. Members of the Conservative party elect a leader, not a Member of Parliament. Those are entirely different things.

Secondly, it is interesting that, as the debate on proportional representation has unfolded during this Parliament, the position of the Liberal Democrats has changed somewhat. We began by being told that, in principle, Liberal Democrats were in favour of the single transferable vote. Interestingly enough, they were given the opportunity in the other place last week to vote for the STV for the European elections. Instead of voting for that in Committee, they voted against it. We were subsequently told, or have subsequently been told—

Mr. Donald Gorrie (Edinburgh, West): What the hon. Gentleman says is untrue. The single transferable vote was not on offer in the other place. What he says is just not true.

Mr. Swayne: That is not my reading of the debate, but I am sure that an examination of the record will prove whatever is true.

We were told also that the hon. Gentleman's party was in favour of open lists as opposed to closed lists. When it was provided with the opportunity to vote in favour of open lists, it voted against them. It boils down to the fact that the Liberal Democrats are interested not in grandiose principles of fairness but in bottoms on seats. That is what this is all about.

Mr. Gray: Will my hon. Friend note that, if the Liberal Democrat party is interested in bottoms on seats, the seats on which it is putting its bottoms now are at restaurants and bars throughout the land and not in the Chamber? That is extraordinary given that the subject that we are debating is one of key interest to the Liberals, of all people.

Mr. Swayne: My hon. Friend makes an effective point.

I shall move on to turnout at elections.

Mr. Andrew Stunell (Hazel Grove): Will the hon. Gentleman give way?

Mr. Swayne: I shall not give way because I have moved on.

I shall deal with the issue of low turnout. I think that our turnout, despite the most recent election, is pretty healthy, even for a seat such as mine where the winning candidate commands more than 50 per cent. of the votes. My seat is regarded as rock solid for the Conservative party and, typically, the turnout is still 80 per cent. I reckon that that is pretty good.

I suspect that low turnout is a worldwide phenomenon. I suspect also that it will, as a consequence of frustration at not being able to change the Government, be a rather greater problem with systems that are more proportional. The result of the voting systems elsewhere is that, irrespective of the way in which the votes are cast,

[Mr. Swayne]

politicians stitch up a coalition subsequent to the election. The same faces always appear in government. That engenders cynicism and indifference among the voters.

That brings me to my final point, which is the constituency link. The system proposed by the Jenkins report undermines the constituency link by creating top-up Members who have not effectively been elected by anyone. *[Interruption.]* I agree to differ with Labour Members on that. Of course I accept that there are arguments to the contrary. However, as no one has voted for those candidates specifically—[HON. MEMBERS: "Yes, they have."] To an extent, the electorate will have done so in an open list. I grant that. However, given that they do not geographically represent a constituency in the same way as other Members, they lack a legitimacy. I believe that that has a corrupting effect on the entire polity.

I take Germany as an instructive example. As an aside, I thought that it was grotesque, watching the results of the German election, when Chancellor Kohl, rejected by his constituents and turned out by the voters in precisely the way in which voters in this country can turn out someone, appeared again as a Member of the German Parliament as a consequence of his place on the list. It is something of a sport on election night in this country to be able to knock off the leading lights of the various parties and to gloat over their fate. It is perhaps not an edifying sport, but it is one that voters enjoy. It would be denied them under proportional systems, as it was denied to the German voters.

It is instructive that, under the German political system, a large proportion of the population has been deeply sceptical, troubled and preoccupied for years about the notion of abolishing the deutschmark. However, that attitude has not been reflected by German politicians. It is extraordinary. The answer, I believe, is that, under the list system, politicians have to address the preoccupations of the party managers and not those of the voters. That leads to a division between the voter and the political class. That is profoundly unhealthy. To prevent that, we must hold fast to the constituency link and the British electoral system.

7.45 pm

Mr. Peter L. Pike (Burnley): I am grateful to have the opportunity of making a few comments in an important debate. I am a strong supporter of the present first-past-the-post system. When we come to the referendum, I shall be campaigning for that system. However, I agree with my hon. Friend the Member for Reading, West (Mr. Salter) that, if we are to ask the people to tell us the way forward in our democracy, we must also link in the other place and the way in which people should be elected to it. I do not necessarily reach my hon. Friend's conclusion, when he said that there should be proportional representation. We must recognise that this is an extremely difficult debate. Once we give the other place a mandate, it will argue that its mandate is equal to that of this place and it will therefore not want limited powers. That in itself raises an extremely difficult argument.

Clearly, there are different views on the changes that should be made and I have grave doubts about the nature of the referendum that we shall put before the electorate. Should there be only one alternative? Should the electorate not have a wider choice than that with which the Jenkins committee has come forward? That issue should be examined carefully as we proceed along what I consider to be a dangerous path. As I have said, I want to remain with the present system.

For those who argue that every vote should be an equal vote and want proportional representation, the Jenkins recommendation is not the answer. If we say that 43 per cent. of the electorate vote one way and that those electors should have 43 per cent. of the seats, it is clear that the system that Lord Jenkins is proposing will not produce that result.

I have been in the Labour party for more than 40 years and I was a party organiser. Against that background, I find it extremely strange that it is being argued by some Labour supporters and Members that we should adopt a system that will produce fewer Labour Members. I can understand the Liberals, who will be clear gainers under almost any new system that we might adopt, wanting change, but not the Labour party.

We should remember the closest election result in terms of numbers of seats that we have had since the war, which was in February 1974. The same sort of result could be the outcome if we adopt the sort of change that is proposed. The Prime Minister of the day was defeated in February 1974, having been rejected by the electorate. However, he hung on in power for a few days trying to do a deal behind the scenes with the Liberal party. In the end, the Liberals, to their credit, said no. They said that it was a defeat and it was Harold Wilson who was finally called to the palace to form a Government.

A more recent example has been presented to us in Germany with Chancellor Schröder, who had to do deals to get a coalition Government in place. We have read reports of that in our press. In the German press, there have been more reports than in ours. However, we do not know what has gone on behind the scenes in dark, smoke-ridden rooms where deals have been done to produce a coalition. I have grave fears about such a system and now we have the Jenkins proposal. It seems to be trying to maintain the link with constituencies, which I believe is crucial. Lord Jenkins has tried to move towards proportionality, but only marginally. He has also tried to propose a system that will avoid too many coalitions, and thus too many of the problems to which I have just referred.

The report is a poor fudge, as it deals with none of the problems with which it was supposed to deal. The system that it proposes is nonsense. It plucks 15 or 20 per cent. out of the air to provide a limited combination of an additional member system and a top-up system. It seems crazy. As for vacancies or deaths in that top-up system, my right hon. Friend the Home Secretary referred to "spares" being brought in to fill gaps. If there were no spares, seats would be left vacant. That is nonsense.

I remind hon. Members that by-elections can change a Government's policies. Let us remember the by-election results after the poll tax. Ultimately, the by-election in Ribble Valley next door to my constituency made the then Prime Minister, the right hon. Member for Huntingdon (Mr. Major), decide that the poll tax had to go and that council tax legislation had to be introduced. Despite an overwhelming Conservative majority, that by-election changed the poll tax policy. The Conservatives knew that

the election could not be delayed beyond 1992, and they feared the consequences. I accept that, if it is a direct election, there will still be a by-election, but it could just as easily be within the 15 or 20 per cent. top-up. Again, that must be nonsense.

New Zealand has been referred to. I went there just over a year ago. In New Zealand, the National party won 44 seats out of 120—New Zealand First, led by Winston Peters, won 17 seats. It did a deal, part of which was that it was over-represented in terms of both ordinary and Cabinet Ministers. It dictated the terms. Some people have moved away from that party since, and other changes have taken place. New Zealand First is certainly cracking up and the coalition no longer exists.

Although the prospect of having a system that is fair to minority parties may be the basis for our debate, ultimately, the tail always wags the dog. The minority dictates the terms and gets more than its fair share. That is nonsense. We may look at what has happened in New Zealand and other parts of the world, but our system has worked well. I strongly support it and hope that the House will not go along with change. If we choose to hold a referendum, I hope that people will say that we should keep the system as it is because it has worked well for many years.

7.52 pm

Mr. John Hayes (South Holland and The Deepings): There has been much talk tonight about stable government, which has been produced by the first-past-the-post system. Appropriately, there has also been talk about the possibility of coalitions.

The Liberal Democrats, though, have talked less than one might have expected about Lord Jenkins's failure to come up with a proportionate system. Advocates of proportionality in electoral systems—principally the Liberal Democrats in modern times—have not been true to their history and their principles. No one would argue that, even with a top-up, AV is a proportional system. We have had some honesty from those on the Labour Benches tonight. The hon. Member for Birmingham, Sparkbrook and Small Heath (Mr. Godsiff) was honest enough to acknowledge that the system was not proportional and to give an empirical analysis of it. However, we have heard little from the Liberal Democrats, who seem to grasp at any alternative to the current system, regardless of its merits.

I want to speak not about coalitions and stable government but about a subject referred to by the right hon. Member for Chesterfield (Mr. Benn): this debate is, above all, about power and the people. It is about the relationship between the elected and electors. Electoral systems are not just about elections; they are about the subsequent nature of representation. Their effect is to establish a relationship or partnership between politicians and the people.

Being a Member of Parliament is about making laws, but it is also about speaking and fighting for ordinary people, and I am not ashamed to say that I have a disproportionate responsibility to speak and fight for those who are least able to do that for themselves. I am surprised that more hon. Members do not regard that as the most significant and rewarding part of their job.

As the hon. Member for Birmingham, Northfield (Mr. Burden) said, there are many types of politicians, both in government and on the Back Benches, but a unifying, binding factor is their common accountability to their constituents. They must all hold a constituency surgery and go to boring as well as interesting meetings in their constituencies.—*[Interruption.]* The meetings that I go to are implicitly less boring. Politicians have to open fetes, visit hospitals and schools, and are in touch with their electorates, all of which informs them and keeps their feet on the ground. Heaven knows, many people who are attracted to politics find it hard to keep their feet on the ground. That constituency link—the communication and contact with the average elector—is the principal means by which politicians retain their ordinariness.

Roy Jenkins does not appear to value that highly. We can see from his political background that he is a different type of politician. He is certainly very different from me. Although he is not quite a carpetbagger of Gladstonian proportions—Gladstone represented six seats during his political career, one of which he is reported never to have visited—Jenkins was certainly never in tune with what electorates now expect of their representatives. More than ever before, people want a Member of Parliament to whom they can relate and with whom they can empathise—someone who lives in their community and shares their interests. A Member of Parliament totally unlike Lord Jenkins one might argue. A story persists about Lord Jenkins holding his constituency surgery at the railway station because he did not live in the constituency.

We should move away from such politicians, but those on a top-up list would be of exactly that type. Although those politicians may have some notional connection with the county—Jenkins has given us that palliative—imagine a county like mine, Lincolnshire, with an extra top-up Member floating about somewhere between the Isle of Axholme and the Fens. Would he go to those boring meetings with boring people, or would he be down here hobnobbing and fine dining with the Westminster cognoscenti at one of Lord Jenkins's six London clubs? I think I know where he would be, and it would not be in Lincolnshire.

Mr. Maclennan: I was brought up in the Glasgow constituency to which Lord Jenkins was twice elected. He was not a native son of Glasgow, but he was more than acceptable.

Mr. Hayes: Lord Jenkins never lived in Stechford when he represented it for 27 years and he never lived in Glasgow when he represented it either. Many hon. Members on both sides of the Chamber moved to their constituencies when they were elected because they believed that they should be at the heart of the area that they represented. I am not impressed by Lord Jenkins's track record. Given that he has been outside mainstream politics for some 15 years, that he is 77 years of age, and that his best political days were when he was a member of the Cabinet a generation ago, he was an odd choice—I put it no higher than that—as chairman of the commission.

This debate is all about power and people. A factor that has only been scantily mentioned is that, if the system were introduced in a constituency like mine—assuming that the boundaries were redrawn and I were reselected—I would represent a constituency that was 15 or 20 per cent. larger than my current one. In a seat like mine, which covers 350 square miles, I could not do that without delivering a lower quality service to my electorate.

[Mr. Hayes]

I would be taking on an extra 20,000 people. We have moved away from that. The idea of constituencies of 100,000 people was abandoned by the boundary commissions because they believed that constituencies should conform to a uniform smaller size. The current proposal is surely a step in the wrong direction. Perhaps the commission underestimated the impact of that.

Mr. Andy King (Rugby and Kenilworth): It is unfortunate that the hon. Gentleman has chosen to argue ad hominem, which undermines a debate which is long overdue in this House. Is the hon. Gentleman frightened of having the support of 50 per cent. and above of his electorate? It sounds to me as if he would benefit from the top-up Member to assist him with his work in Lincolnshire.

Mr. Hayes: I am disappointed that the hon. Gentleman thinks that I am not making a useful contribution to the debate. Being a Member of Parliament is about representing people and caring for people. It is about articulating people's needs, fears, aspirations and hopes. That is more important to me than the machinations of the Westminster cognoscenti, of which the hon. Gentleman is clearly fond.

I am disappointed that the hon. Gentleman thinks so little of my contribution to the debate, but I can tell him that for myself I am frightened of nothing. I got 49.5 per cent. of the vote, and I am confident that I could have picked up a few of the second choices from some of the other candidates. I am frightened for the British people though because I care about them being properly represented in an informed, modern democracy.

The debate is about power and people, and the Jenkins proposals would take power further and further away from the British people. That has been recognised by the right hon. Member for Chesterfield, by myself and by many people who are better informed than myself. I will fight hard to retain power with the people by retaining our current electoral system.

8 pm

Mr. Robert N. Wareing (Liverpool, West Derby): I do not believe that the debate is about the report of an independent commission. Frankly, how can a Liberal Democrat Lord chairing a commission offer us an independent outcome? I do not blame Lord Jenkins, however, who has jumped at the chance afforded to him to have the floor and to argue his case at length.

Some of my hon. Friends have expressed fear about the list system. Some people have said that Jenkins is not talking about a closed list, but an open one. Nevertheless, the introduction of the top-up system for the Westminster elections would make it far easier for party headquarters to centralise the decisions about the selection of candidates, whether it was an open or closed list.

I do not fear coalition Governments. Every Government in this country is a coalition one. The Tory party is a coalition, as is the Labour party. Any wise party leader recognises that his party contains a right wing and a left wing. That is why Attlee chose to accommodate both Aneurin Bevan and Ernie Bevin in his Cabinet when he became Prime Minister in 1945. However, Jenkins is proposing to create a situation where coalition Governments of more than one party would be more likely to be in power more often—and would, very often, be inevitable.

If we moved to the proportional system, as recommended by Jenkins, it would be true to say that whichever major party was in office, the Liberal Democrats would always be in power. It is no wonder the Liberal Democrats favour proportional representation, although there is no record of the Liberal party supporting PR in 1906 or in the days of Gladstone. I do not blame the Liberal Democrats. They are politically motivated, as are we all to an extent.

Under our system, the voters vote for the coalition with which they are familiar—whether it is Labour or Tory. The voters understand that. PR would mean coalitions being cobbled together in back rooms by politicians. It is an electoral system for politicians. The first-past-the-post system is an electoral system for the people of this country.

Some new Labour Members may not recall the history of the Liberal Democrats. It is often assumed that if we moved to a proportional system, the Liberal Democrats would always support the Labour party. That is not true. We have seen what has happened in Germany. Helmut Kohl became Chancellor in 1982 not because of an election, but because the Free Democratic party—a party which, with the exception of four years, has always been in government in Germany—chose to move from supporting from one Helmut, Schmidt, to another Helmut, Kohl.

The Liberal party in this country has switched support as well. I recall the elections in 1951 and 1955, when Conservative candidates stood down to allow Liberals to win seats in Bolton and Huddersfield. I can even remember the day when *The Guardian*—which was then thought to be the house magazine of the Liberal party—called on people to vote Conservative in 1950. That was despite the fact that the Labour Government after the war had created the welfare state and maintained full employment—the sort of things which the Liberals should have supported.

In 1979, we had the Lib-Lab pact. The Liberals' opposition to the Labour Government on a confidence motion helped to give us 18 years of Tory Government, many under the extremism of Thatcher. Is it fair to Labour and Tory voters that the minority who choose to vote Liberal Democrat should nearly always be in a position to determine who should govern? Following electoral defeats in the 1980s, many Labour activists thought that we should perhaps look at changing the electoral system. In 1983, it looked as though we had a mountain to climb; in 1997, we did not just reach the summit—we touched the stratosphere with the result.

Jenkins has made a number of errors in his report. On page 13, paragraph 47, the report says that there was no certain control of the Attlee Government from 1950 to 1951, or of the Wilson Government of 1964 to 1966. How many times did those Governments lose in the Division Lobby? The answer is that they never did. If we had had PR in 1964—when the Labour Government had a tiny overall majority—Wilson would have been unable to exercise the option to call an election in 1966 and to come back with a stable, overall majority of 100 for the Labour party.

We should fantasise just a little. Imagine if, in 1997, the Labour party had been elected as the largest single party, but in a hung Parliament. Who would have had to give way to accommodate the right hon. Member for Yeovil (Mr. Ashdown)? Would it be the Secretary of State for Foreign and Commonwealth Affairs? Would it be the Chancellor of the Exchequer? Maybe it would be the Secretary of State for the Home Department.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. The hon. Gentleman's time is up.

8.9 pm

Mr. Andrew Stunell (Hazel Grove): I do not want to confront others with errors, but I think that the hon. Member for New Forest, West (Mr. Swayne) crammed more errors into his speech than any other Member who has spoken tonight—although there have been other errors. But I want to spend my allotted time speaking up for disfranchised voters, and especially for disfranchised Conservatives. I am not going to talk about those who have been disfranchised in Scotland and Wales, because, as has been pointed out, a top-up Member has been appointed for them by the Conservatives here; but in my region—and in the northern region, where there are no Conservatives—there are serious problems.

Greater Manchester has 28 parliamentary seats. The Conservatives have two of those 28 seats, although they have 25 per cent. of the popular vote across Greater Manchester. It takes 154,000 Conservative electors in Greater Manchester to produce one Member of Parliament, which should certainly not be the case. Mention has been made of Surrey, which has the opposite problem.

In the general election of 1997, those 28 contests in Greater Manchester had one feature that is common to all the elections in the present first-past-the-post system. Each involved a closed list of one candidate per party. Those who fulminate against the idea of a proportional system and the control of parties have clearly failed to observe the present circumstances. As is so often the case, it is easier to look out of the glass house than to spot the glass that surrounds us.

In last year's general election, the election results in Greater Manchester had one unusual feature compared with results elsewhere. In 25 of those 28 contests, the winning candidate gained more than 50 per cent. of the vote. It should be borne in mind that 44 per cent. of hon. Members sit here having received less than 50 per cent. of the vote in their constituencies.

I must say that I look forward to a referendum campaign in which Conservatives visit my constituency—where I did receive more than 50 per cent. of the vote—and try to persuade my voters that they are so dumb that they cannot understand any alternative voting system that is put to them. I hope that those Conservatives will make clear their belief that voters in my constituency are dumber than the Germans, dumber than the French, dumber than the Italians and dumber than the Spanish—because I have a feeling that my electors will reply, "We were smart enough to see through their arguments at the general election, and we are smart enough to see through them in a referendum campaign."

It has been alleged that one of the consequences of the proposed change would be weak government. Let us take the period between 1945 and 1998. In that period of 53 years, we have had 35 years of Conservative government and 18 years of Labour government—strong government, provided by the other parties, as I am sure they would agree. In that time, the Germans have overhauled us and taken on East Germany; France has overhauled us; Italy is snapping at our heels; and the Spaniards, who have had only half as much time in a democratic system, which took over from a dictatorship 25 years ago, are now very close to us. All that has been supplied by "weak" coalitions—by the proportional government that the Conservatives so despise.

It has been said that the proposed system is a recipe for minority government. Anyone who observed the Major Government may have wondered exactly who was wagging the dog. Was it the Europhobics? Was it the Ulster Unionists? And what about the mysterious change without an election? What happened when the right hon. Member for Huntingdon (Mr. Major) took over from Mrs. Thatcher? Let us not concern ourselves with the nature of the Conservative party's voting system; what about the votes that were offered to the people of this country? There were none at all. We do not need lectures about parties changing course in midstream without elections.

Let us be clear about one thing: the Jenkins proposals would not produce the results cited by their opponents. It is evident that many of them have not even read the report. They have not read the academic evidence in the CD-ROM—because, I imagine, they are still using quill pens. If they did so, they would learn that, in four of the last five elections, a majority party would have been elected.

There is a saying that those who live by the sword must die by the sword. The Conservatives have adopted a different policy: they have decided that those who die by the sword must die by the sword. They have a system that is destroying them in Parliament and in local government, and they are urging us all to stick with it. Some of us are almost tempted to say yes to that.

Let us have a look at this business about strong and weak government. We need not look to France or Germany; we can look to Doncaster and Westminster to see why powerful single-party domination of any political culture leads to more corruption and worse government than a more representative system. [HON. MEMBERS: "Like Italy."] Like Italy, which, in fact, has pulled up its economic bootstraps over the last 50 years, and has developed its political culture. I gather that the view is that Italian voters are so stupid that they cannot run the system.

It is said that we have one class of Members of Parliament in the House. Only three months ago did we finally and formally get rid of the distinction between right hon. and hon. Members, and anyone who believes that there is no class distinction or separation of powers between different Members of Parliament here has been living in a dream world.

I do not think that the Tories' big fear is of being replaced by Liberal Democrat or Labour Members. I think that their fear is of being replaced by Tory Members of Parliament from Scotland, Wales and Greater Manchester. There would be more Tory Members of Parliament as a result of a new voting system; but they would be more representative, they would know what they were talking about, and they would be in a position to serve the country far better.

8.16 pm

Ms Claire Ward (Watford): Some hon. Members may well feel that the report, and the debate, have been long awaited—especially those who stand to gain most, the Liberal Democrats. Surprisingly, however, the Liberal Democrats have been unable to muster even a 50 per cent. attendance.

I believe that those who claim that there is a great desire for change are talking nonsense. In the 18 months that I have been a Member of Parliament, and during the many years in which I have campaigned with the Labour party—both before elections and in the interim periods—not one person has said to me, "I will vote Labour because I want proportional representation," or, "I will vote Labour because I want to change the electoral system."

Let us be honest: people do not vote for a political party because they want a change in the electoral system. They have much higher priorities, as I am sure most hon. Members can tell us on the basis of their surgeries and constituency correspondence. I do not believe that there is any real clamour for change. I think that the 1997 election result showed us that the current system can deliver huge swings, and that people are capable of making up their minds to get rid of a Government, or a Member of Parliament, whom they do not believe to have represented them adequately.

It is wrong to believe that proportional representation—or, indeed, the Jenkins report—will bring more democracy. The truth is that democracy ends the moment the ballot box closes. When people have voted for a party, they may well end up with a Government who are a coalition of parties none of which they supported. Under proportional representation, there is a much greater risk of a mish-mash of policies and deals done in back rooms after the people have had their say.

We need only look at other countries in which the system is operating to see that that is so. The most recent example is Germany, where the smallest party has held the balance of power for many years. Even at the last general election, it took nearly six weeks for the Germans to agree on a coalition Government for whom the people had not voted, although more people voted for Schröder's party than for any other.

I shall deal now with some of the specific issues in the Jenkins report. I am surprised that those who support proportional representation support the Jenkins report, because it does not meet the criteria set out by those who believe in PR. The use of the AV system does not give equal weight to votes. If an elector votes for the Monster Raving Loony party or the Let's Have A Party party or any other fringe or minority party, in a seat where there are two main parties, the second preference will be taken into account to determine the overall winner. A person voting for either of the main parties will have only their first preference taken into account. How can that be democratic? How does that give equal weight to votes? It will inevitably give undue weight to minority parties.

The AV system has a tendency to produce random results depending on which party is placed second in the first count. One party may gain far more first preferences than its main rival, but second, third, fourth or even fifth preferences may carry that second party over the winning line. I do not believe that that is democratic. The Jenkins commission has failed to fulfil its terms of reference.

Mr. Andy King *rose—*

Ms Ward: I will not give way, because of the time.

Jenkins was told to come up with a system that kept the constituency link, but he has failed to do that. The top-up breaks the constituency link and creates two types of Member of Parliament. It does not matter that Jenkins recommends that those Members of Parliament should be treated the same in the House. We all know that, in reality, that will not happen. One type will be elected on an expanded constituency boundary and one type will be elected on a top-up, on a county or city list system.

We would need to increase the size of the constituencies, which I believe are large enough already. Members of Parliament have enough responsibility serving 70,000 or so electors without increasing that to an average of 90,000. Also, those top-up Members would have no direct relationship with the people voting for them.

I shall take as an example the constituency area that Jenkins has suggested for Hertfordshire, in which Watford would be one component part. The people in Hertfordshire already have no real direct contact with the county council. They have no idea what the organisation is or what it does. The notion that they will have any more idea about the top-up Members of Parliament on a county-based system is nonsense. They want a local Member of Parliament whom they can hold accountable, who knows the area and who will be waiting to listen to their views. Top-up Members will be floating around the county and, in Watford, we will never know where on earth they are.

Mr. Hayes: They will be down here in the Tea Room, dear.

Ms Ward: Yes, more than likely.

Where vacancies occurred in the top-up list, there would be no opportunity for a by-election. Parties would simply put forward their next highest placed candidate to take the seat. Surely voters are entitled to elect their representatives and not to rely upon parties to put up whomever they choose without any endorsement. It has already been said that it is important to have a system in which by-elections can cause changes to the Government so that it makes them sit up and listen.

The Jenkins report is a half-baked plan. It requires an electoral commission to fill in the details that he has been unable to provide. In my view, we should stick with a first-past-the-post system, which is simple in concept—one cross, one vote. It is easy to count and it is clear. The electorate vote for a party and a candidate to form a Government.

I do not believe in the concept of a wasted vote. The important principle is that a voter has his or her say through the ballot box. It is a fact of life that some parties will not win and that some people may feel that they have not voted for a party that will win. That does not mean that we should change the system. Just because minority parties have been unable to convince the electorate of the value and credibility of their policies is no reason to change the system.

Labour Members who have fought for many years for a Labour Government believe that we should stick with a system that will be representative of those we serve. We want a Labour Government who will be implementing their policies, not forming a coalition with the Liberal Democrats and doing nothing to tackle the issues concerning most people in my constituency.

8.24 pm

Mr. Christopher Fraser (Mid-Dorset and North Poole): The first question that comes to my mind this evening is why the noble Lord Jenkins is not in the Gallery listening to this debate. My suspicion is that he is being topped up in another place.

Mr. Deputy Speaker: Order. Although we are debating the Jenkins report, we should remember that the noble Lord Jenkins is a Member of the other House. It is usual to refer to all Members of the other House with courtesy.

Mr. Fraser: I shall take that on board, Mr. Deputy Speaker. These are serious issues.

The first-past-the-post system has served the country well and has generally provided what I think we all believe has been stable government. It has the confidence of the voting public. I am curious as to why the Jenkins commission has not been allowed to consider the advantages and disadvantages of our current voting system, which has served our democracy in this country. After all, as has already been said in the debate, 62 countries around the world have the same system, and they represent about half the world's electors.

Why did the commission come up with a complicated system that is not used anywhere else in the world? Seven alternatives exist, but none was good enough for Jenkins. We must ask why not. It is yet another excursion into the unknown. I believe that this is Jenkins's revolution, but it is certainly not evolution. I believe that it is change for change's sake. Without being too disingenuous about the noble Lord, I suspect that it is an old man in a hurry, trying to make a mark. That is a pity, because, with the Jenkins commission proposals, the voter and democracy will be poorer. His proposals do not do what he set out to achieve.

How can voter choice be extended in a system in which votes for the least popular candidate can be more important than votes for the most popular? How can voter choice be extended if voting for one's preferred candidate can harm his or her chances? How can voter choice be extended if a large number of so-called top-up Members are selected from closed party lists? Some may even have been rejected by the electorate in their constituency, but may enter Parliament as if appointed by a quango. How can voter choice be extended if Liberal Democrat Members become established by default, irrespective of their performance on election day?

None of us in the House would argue against the case for stable government, but we would not argue for stable government at all costs. Under the current first-past-the-post system, the voter understands that the Government can be called to account at the polls if they fail to deliver. The Government of the day have the support of Parliament for their policies and promises. They have the ability to carry forward those policies and there is a clear-cut accountability to the electorate.

What happens under the proposed system? As was eloquently pointed out by the hon. Member for Watford (Ms Ward), after an election, policies would be cobbled together in smoke-filled rooms in the pursuit of power and the interests of survival. What seems compatible at the outset may turn out to be wishful thinking when times get tough, particularly if expediency results in a coalition with a political party some way down the voters' preference list which has extreme or single-issue views. Small parties would enjoy disproportionate influence.

Policies would be muddled, accountability would be obscured and the ability to remain in power would be a matter of compromise. The classic criticisms of proportional representation have not been addressed in the hotch-potch system that has been advocated in the Jenkins report. That concerns me at constituency level as well as at national level. The direct link with the electorate on which our Parliament is based is understood and appreciated. Our constituents may not entirely understand our role, but they do understand that we, and we alone, represent them and their interests. A Member of Parliament is a single point of contact for every person of voting age.

As Members of Parliament, we have nothing to lose and everything to gain by diligence and service to the local community and the individuals that we represent. We work directly for the whole constituency, not only for those who voted for us. We know and understand the complexities of our patch, and we speak in the House against that background. Our constituents judge us on what we do in and for the constituency, at least as much as on what we do in the House.

Candidate selection—in the Conservative party, at least—remains largely a local matter. Every vote at every level counts. If we fail at local level, we pay the price, and someone else will be found to take on the job.

The proposal for top-up Members should be thought through carefully. What is their remit? Whom do they represent? I believe that they represent no one. How are they to be judged? How can voters identify with their work and their performance? How can they be called to account? How can their performance in the House serve democracy?

Lord Jenkins's support for proportional representation is long-standing and well known. He has at last found a Prime Minister who might be prepared to listen and be swayed by his enthusiasm for coalition politics.

The commission was not allowed to consider the advantages of the current system, so we must voice them in this debate. Under first past the post, Government stability is almost always achieved. There is a close link between voters and their elected representatives. Electors understand the system, and have confidence in it. A party in government ignores the electorate at its peril. The fate of the Government is in the hands of the voters.

Even the Jenkins commission has acknowledged that there is "no surging popular agitation" for change in this country. It has failed to make a compelling case for forsaking a system that has served us well, and I do not support it.

8.31 pm

Mr. Alan Keen (Feltham and Heston): My hon. Friend the Member for North Durham (Mr. Radice) said that, if Labour voters in Surrey were asked whether they wanted

[Mr. Alan Keen]

a top-up Member of Parliament, they would say yes. I have lived and voted in Surrey, but I have still felt exhilarated in the polling booth when I voted—despite the overwhelming majority against Labour and despite the fact that, when I stood for the council, I was roundly beaten. I think that we know what the answer would be if Labour voters were asked the whole question—"Do you want a Labour top-up Member even though that means that there would be 50 fewer Labour Members of Parliament?"

If this debate were about a choice between the Jenkins proposals and a fully proportional system, the people who are arguing for the Jenkins proposals would be ridiculing them, saying that they were unfair and ludicrous. I do not expect hon. Members to admit to that, but they know, when they think quietly, that it is true.

Those people who claim that it is easy to vote cannot have met people like the ones I have met during the past two elections—perhaps about 10 of them—who have not voted before and have no idea what to do. I tell them how to vote, saying, "Go and give your name. Tell them where you live and they will give you the ballot paper. Go into the box and put a cross against the name of the person you want to vote for." We should not forget the fact that many people are frightened and have never been in a polling booth before.

Any major change to the system is serious. If there is no demand for a change, why should we cause such chaos? The demand comes not from the people, but—of course—from politicians. Some hon. Members—from both sides of the House—have so many axes to grind that it is surprising we can hear the debate for the noise.

If a perfect system existed, there would be an argument for ditching first past the post, but we know that such a system does not exist. People who have argued for proportional representation over the years would call the Jenkins proposals ridiculous if they had a more proportional system to support.

To change to the proposed system would be damaging. It would damage relationships between people in the same political party and it would be costly in time for party workers, who keep our political parties going and get us into Parliament.

If we accept the proposals, what would we lose? The public understand the current system, for all its deficiencies. As I said, when I voted in Surrey, I did not mind that my vote would not count. I was happy to let the people of Wales, the north-east and Manchester make my vote count—

Mr. Kaufman: Hear, hear.

Mr. Keen: Especially Manchester.

Governments are invariably thrown out; the electorate do not really vote for us. At the general election, people may have found the Labour party's proposals acceptable, but, on the whole, they wanted to throw the Government out, as Conservative Members have been honest enough to admit. People vote largely to get rid of politicians. I do not think that they like or trust us, and I do not blame them—if they have been watching this debate, their views will have been confirmed.

Proportional representation will make it more difficult for the electorate to throw politicians out. Even if, under AV plus, only one election in the past 25 years would have resulted in a coalition, that is more than enough to make me want to throw out the proposals.

The report is flawed. Paragraph 7 of chapter two says that the

"unanimous opinion . . . expressed . . . distrust of any electoral system which increased the power of party machines",

yet the commission still recommends AV plus.

Moreover, paragraph 10 of chapter two—this is worth mentioning, as it highlights what other hon. Members have said—states that the role of Members of Parliament is "to represent their constituencies". I want to change that slightly; instead of "constituencies", it should say "constituents". That shows the difference in philosophy between the Jenkins commission and me.

The commission is described as independent, but I remind the House of what Lord Cocks said in early October:

"People asking for information about the electoral system are referred"—

by the commission—

"to the home page of the Electoral Reform Society. Surely this organisation has a massive vested interest in the whole subject."

That is hardly independent.

Lord Cocks also described the consultative meetings that were held. He said:

"I drew attention to the average attendance of 80 and said this represented 0.0000625 per cent. of the electorate. Even this figure is doubtful.

At the recent Labour Party Conference I collected the annual review . . . of the Electoral Reform Society. There I see that, apart from society members writing to the Commission,

'a large number have also attended the Independent Commission's hearings to present their arguments for change and in particular STV'."—[*Official Report, House of Lords*, 8 October 1998; Vol. 593, c. 684.]

Again, that is hardly independent.

The other day, I heard someone trying to justify the role of top-up Members by arguing that they would be more in touch than directly elected Members. I am nothing special, but to serve my constituents, I hold four advice surgeries a month in different locations. I am worried about the people who do not have their own transport, so I travel to them.

Feltham and Heston is a small, suburban constituency, but for top-up Members to give the same service, they would have to attend 36—four times nine—locations, from Cranford by Heathrow to as far away as Carshalton. Not that I know where Carshalton is; I know it is past Kingston somewhere, but I do not want to offend anyone who represents it. *[Laughter.]* I doubt whether even 1 per cent. of the people of Feltham and Heston would know where Carshalton was. If they went there, they would probably love it. They would probably love it more than they love Feltham. That is why there are lots of problems in Feltham.

The report talks about better representation in Parliament of women and people from ethnic minorities. If we are serious about electoral reform, perhaps we should go further and consider term limits. That is turkeys voting for Christmas. Term limits would give a more rapid turnover and we would get a more representative—

Mr. Deputy Speaker (Mr. Michael Lord): Order. I call Mr. Gerald Howarth.

8.39 pm

Mr. Gerald Howarth (Aldershot): We have seen the House at its best today. I hope that the hon. Member for Watford (Ms Ward) will wait a second before she disappears. When the public see us debating issues that concern the House, they see us at our best, arguing with passion about important issues that affect everybody in this country.

This fascinating debate was well opened by the Home Secretary, to whom I pay tribute, and my hon. Friend the Member for Woodspring (Dr. Fox) responded well. There was a splendid contribution from the right hon. Member for Chesterfield (Mr. Benn). I agreed with virtually every word that the hon. Member for Watford said. I say that with no deliberate intention of harming her career. She made a good speech, and I think that she was absolutely right when she said that the Jenkins report was fundamentally flawed.

The remit that the Prime Minister gave Lord Jenkins was to examine all the alternatives to first past the post and to recommend one. The report is a wonderful grand tour, as one would expect from someone so versed in claret, of not only Europe but the whole world, and it gives us some marvellous cameo histories of various countries. It spends about two pages on the present arrangements and goes on for no fewer than 17 pages, seeking to demolish the case for first past the post. The document is not an independent report recommending one of the alternatives to first past the post. Its objective is to destroy support for first past the post and only then to come up with a proposal to put to the Prime Minister.

I cannot promise any great new illuminations, but I hope that, in reinforcing points made by others, I will be able to advance the cause in which I believe. The new system is complicated. As the hon. Member for Watford said, the present system is easy, it does not take long to count, and one does not end up having to work out who will form the Government. As we have heard, it has taken six weeks to form the Government in Germany. It is a good job that there have been no major crises in that time.

It is not sufficient to say that we should rule out a system merely because it is complicated. There are other grounds on which the system should be ruled out. It gives disproportionate power to small parties—that is the inescapable logic—and that is why the Liberals want it. In Germany, the Greens, whose vote went down at the most recent elections from 7.3 per cent. to 6.7 per cent., ended up as the power brokers.

It has been said many times tonight, but it bears repeating, that the Free Democrats in Germany were able to remain in office while the main party changed. The tiny FDP stayed throughout and was never subjected to being booted out. The report is interesting on that. It says:

"Mostly the FDP has been the hinge, and has done very well out of the role."

Lord Jenkins got it in one. The hinge—the disproportionate power of a small party—in this country would fall to the Liberal party, which would do very well out of it. The House is entitled to ask whether it is no accident that Lord Jenkins is the man who started up the Social Democratic party and then merged it with the Liberal party.

I resent the way in which the Liberals parade themselves as not being involved for party political reasons. They rise above the dirty business of politics in which we and the Labour party are engaged, because they are interested only in the principle. Garbage: every single alternative system that is produced for our consideration results—lo and behold—in their party doing extremely well, thank you very much indeed. I do not mind, but why do not they simply own up to it and say, "Yes, we do rather well out of it"? That is what Lord Jenkins says, in any case.

I know that the Conservative party does not enjoy the unmixed support of Fleet street these days, but let me quote from *The Times*, which, in an editorial on 30 October, headed "Too clever by half", said:

"There is every chance that the Liberal Democrats would hold office on a semi-permanent basis regardless of their performance at the polls."

I am more inclined to believe *The Times* than the Liberal party, which is trying to seduce us into the new arrangements.

The new system would unquestionably create two classes of Member of Parliament. I say earnestly to those who are new to the House: beware. The right hon. Member for Manchester, Gorton (Mr. Kaufman) was absolutely right when, in his letter to *The Daily Telegraph*, he pointed out that the voters had booted out Mr. Kohl, but that he was back a few hours later because he was top of the list. What kind of democracy is that?

I see that the hon. Member for Enfield, Southgate (Mr. Twigg) is present. I lost a very good friend at the election, when his predecessor, one of the finest of Members of Parliament, was defeated. He and I had about the same notional majority, and he had a safe seat. It is not true that it is not possible to remove people in so-called safe seats, and the hon. Member for Southgate is the proof of that pudding.

We need to be careful about the top-up Members of Parliament. The Home Secretary wonderfully described them as "spares", and I think that it was the hon. Member for Bolsover (Mr. Skinner) who called them "clones". The spares will be in our constituencies. If the arrangements go through, we shall have two in north Hampshire. They will have no constituency responsibilities, and they will not go even to the exciting events, let alone the boring ones. The spares will be there, undermining the hon. Member for Cambridge (Mrs. Campbell) and seeking to take her seat from her. That will be the effect of the system that she supports.

I believe that the report is fundamentally flawed. It is an exercise in posturing by Lord Jenkins. Hon. Members should guard jealously their freedoms and responsibilities and should not lightly give up their direct connection with their electorate.

8.47 pm

Dr. Tony Wright (Cannock Chase): It is a special pleasure to follow the hon. Member for Aldershot (Mr. Howarth). I defeated him in 1992, in a fairly muscular first-past-the-post election, which is almost enough evidence to make me think that it is a rather interesting system—but not quite.

I think that it was Adlai Stevenson who said that a politician is a person who approaches every question with an open mouth. Some of our debate has been interesting, but some of it has been as though the Jenkins report had never been written. Some hon. Members simply rehearsed

[Dr. Tony Wright]

positions that they would have held anyway. The real challenge of Jenkins is to invite us to get into some new and interesting territory. Either we respond to that challenge or we think that we can simply go on rehearsing the old arguments.

On the first page of Jenkins, in typical Jenkinsese, it says:

"we have endeavoured to seek relative virtue in an imperfect world."

Incidentally, there are some lovely examples of Jenkinsese around. I know what "fissiparous" means, but I am not so sure about "inspissated". Perhaps it is what one becomes if one spends an evening with the claret.

Hon. Members should approach the subject with some humility—although those who have protested how excellently they do the job have not shown much. No doubt they are excellent, but we should have some realism, too. Hon. Members puff out their chests and say that they represent all their constituents, but in at least half the cases, most of their constituents have voted for other parties. Members of Parliament go through the Lobbies night after night, voting with their party. If they were representing their constituents, they would vote for the views of the majority of their constituents who have supported other parties, but they do not do that. Under our system, with all its merits, we first get ourselves selected—the selection is far more important than the election—by a very few people. We are not selected by first past the post but by some other system. We then get ourselves elected, often by a minority of the electorate, and we then claim that we represent everybody, even though by our behaviour we do not. Then we invent conventions that tell everybody else to keep off our patch. That is an interesting system, but we need to be honest when we describe it. Although I enjoyed the speech by my right hon. Friend the Member for Chesterfield (Mr. Benn), whom I respect greatly, I could not help remembering that he and his friends opposed the extension of the vote to all members of the Labour party so that they could choose their representatives. It is a funny kind of democratic argument that leads to such conclusions.

The Jenkins report has managed to square a difficult circle. It makes it difficult for those who have supported other systems and for those who want to defend the old system. Lord Jenkins was given criteria to meet, and he has met them. In particular, he has confronted the question whether it is possible to combine more representative government with effective government. Traditionally, we have thought that that was not possible. In devising a home-grown British system that combines the disparate criteria ingeniously and imaginatively, Lord Jenkins has managed to strengthen the constituency link in many ways while adding some fairness. That is a considerable achievement that takes us into new territory.

Where do we go from here? The Government gave the commission the task of devising a concrete alternative to the existing system, so that we did not carry on a debate about some unimagined alternative that might be better. We now have that concrete alternative which we can discuss, as we have tonight.

I regret that the Government now appear to say that we will not have a referendum on the matter, having told the people that we would have a referendum and having made it central to the rest of our constitutional reform programme. It would have been the only referendum in which my constituents and the people of England would have voted. People in Scotland, Wales and London have had a referendum, but the referendum on voting reform was the one that everyone was to have.

It is ludicrous to propose more debate, because we have had a debate on the subject for most of the century. We have now at last been offered a concrete alternative to run off against first past the post. The Jenkins report makes it clear that there are good arguments on both sides and we should not be ideological in our approach. What are we afraid of in turning the matter over to the British public for them to decide? We could finally resolve an issue that has gnawed at British politics for decades and we might end up giving a little more energy and strength to our democracy.

8.54 pm

Mr. Donald Gorrie (Edinburgh, West): I have great pleasure in following the hon. Member for Cannock Chase (Dr. Wright) and some of his arguments. The voters will choose in a referendum, so the argument that the commission is biased is irrelevant. The commission was not a royal commission tasked with producing a great new method of running social services or whatever. It was asked to propose an alternative proportional system to set against the status quo, and it has produced a compromise. The idea that the report is some sort of Liberal Democrat stitch-up is complete rubbish, because the commission has not proposed a fully proportional system. If the Liberal Democrats had had their way, the commission would have recommended a single transferable vote system that was fully proportional. Lord Jenkins and his colleagues have tried to take account of different points of view and have produced a system that is more proportional than the present one; gives more voter choice; and has retained the link with the constituency. It is not a fully proportional system and, therefore, coalitions are not inevitable. The report makes it clear that the majority of elections since the war would not have produced a coalition. It is not true that the system would produce a permanent coalition and give the Liberal Democrats an easy ride.

Mr. Hayes: If the hon. Gentleman's principal argument against the current system is that it is not proportional, and the Jenkins system is, as he has just said, not proportional either, what is the incentive for change?

Mr. Gorrie: The system taken as a whole, with the AV members and the list members, is much more proportional. Lord Jenkins and his colleagues had to balance the desire for proportionality with the desire for a personal link with the constituency. They have produced a compromise that is acceptable to the Liberal Democrats because it is a great step towards proportionality.

Much of the argument tonight has centred on the allegation that the alternative vote system is wrong and unfair and that the worst votes for the worst people somehow decide the outcome. AV is not at all like that and is in fact used in many internal party elections. The system requires the voter to mark the candidates in order of preference. If someone has voted for candidates C or D and the contest ends up being only between candidates A and B, the person's preference will be taken into account. Ultimately, the whole electorate decide the

run-off between candidates A and B and it is all done at one time, instead of coming back a week later—or two weeks later, as the Conservatives do in their leadership elections. The suggestion that some votes are more equal than others is not true—and nor is the idea that the constituency link would be lost. All 100 per cent. of the voters would still have a personal constituency link, and they are the people who count. Eighty per cent. or more of Members will still have a constituency link. The link has been kept, and it has been strengthened.

The idea that Members vote for the benefit of their constituents is complete rubbish. They vote as their Whips instruct. I am sure that some Members here tonight have constituents who were not in favour of fees for students or altering benefits for single parents. Members voted as the Whips directed.

Mr. Hayes: I am grateful to the hon. Gentleman for giving way to me a second time. Surely he will acknowledge that the vast majority of our case work and the letters in our postbags have nothing to do with issues that divide the parties. Most of our work is about solving individual problems for individual people for whom those problems, which may to others seem trivial, are the biggest thing in the world. It does not matter to those people whether their MP is a Liberal, a Tory or a socialist. What matters is that the MP cares and helps them to solve their problems.

Mr. Gorrie: The new system does not alter that one bit. Members will still represent the constituency. They will merely have a greater degree of proven support than they do now.

The proposals will increase voter choice. The idea that it is too complicated to ask a voter to put 1, 2, 3 and 4 opposite names in one list and X opposite a preferred person on another list is ridiculous. Filling in a football pool or doing the national lottery is much more complicated.

Lord Jenkins has suggested that the top-up should be on a local basis so that top-up candidates are also chosen by the people in a county or a city. To argue that we would not have the fun and games of by-elections is rubbish. Eighty per cent. of Members will be elected in constituencies that could require by-elections.

Do the Conservatives seriously believe that it is good for the democratic health of Scotland that there are no Tory representatives of Scotland in Westminster? I believe that that is bad. Any Members who say otherwise should look into themselves quite seriously.

The question is whether the new system would improve democracy. We seem to have a hatred of coalitions, but we might reflect that the occasions on which the country has been faced with the gravest problems—the two world wars—produced coalitions, and the country came out of those wars successfully. We might learn from that success.

The Conservatives should consider the graph on page 11 of the Jenkins report which shows that the present system builds in disadvantage for them. They must obtain 6 per cent. more votes than the Labour party to get the same number of seats. There are serious defects in the present system. We want a referendum. Those who want change can argue for it; those who want the present system can argue for that; and the people can decide. That is what democracy is about.

9.1 pm

Mr. David Watts (St. Helens, North): It is difficult to join the debate at this stage because most of what I wanted to say has been said. However, I will emphasise a few points as quickly as I can.

No one believes that the first-past-the-post system is perfect. However, I believe that of all the different systems on offer, first past the post is the best. Is proportional representation on offer? We have heard that it is not. We are being offered a mixed bag of proposals that the Jenkins report has pulled together, but they cannot be described as PR.

It is not really for those of us who support the first-past-the-post system to make a case against the Jenkins report. A system exists, and it is up to Jenkins's supporters to make a clear case that deals with the positive issues that have been raised in our debate. There can be only two reasons for changing the present system. First, we should do it if there were an overwhelming wish for change among the general public. We all know that that is not so. I have been in politics for 35 years, and I have knocked on doors up and down the country. I have never met anyone who has demanded a change in the electoral system. Jenkins admits that there is no demand for change.

The second reason to change would be if change would improve democracy. I find it hard to understand how a system that would leave 20 per cent. of Members accountable to no one other than their party would be an improvement. I have heard no argument in defence of that position. It would mean that 20 per cent. of Members were no longer directly accountable to voters. The centralisation of power and control of Members would take a step further forward. I believe that the vast majority of the general public do not want that. Constituents expect us to speak on their behalf and to be as independently minded as we can. That would be less likely if Jenkins were adopted.

We must ask ourselves whether the proposals have met the criteria laid down. As I understand it, Jenkins was asked to come forward with a fairer, more democratic system that enhanced choice. I have not heard any Member argue today that that is what has happened.

As people look in more detail at the report, they will worry increasingly over other issues. We have heard a great deal about what the outcome of the past few elections would have been had the system been in operation. How are the estimates in the report made when it cannot be known how people would vote for their second preference? That would alter the outcome dramatically. There is much in the report that is supposed to be fact but is not.

A further practical problem is that the recommendations will lead to fundamental boundary changes. Many of us are being lobbied over the 1974 boundary changes even now and referendums have been held up and down the country. Only about six months ago there was one held on Merseyside about changing boundaries and structures. We would get even more of that.

In one constituency in Liverpool, the Member would represent a Liverpool seat, yet some of his constituents would be over the water in the Wirral. The River Mersey would divide the constituency. The system, then, would not connect that Member more closely than the present system does to his constituency. It is important that the

[Mr. David Watts]

Member is accessible. Most of us have a constituency office which many constituents visit. Will the proposals mean that a constituent in the Wirral would have to take a boat over the Mersey and then catch a bus to raise a matter with the Member? Such practical problems will not be welcomed by voters.

There have been a lot of red herrings about whether PR will improve the economy, yet there has been no evidence that it will.

The recommendations are nothing other than an attempt by some politicians to win seats. The Liberal Democrats support the proposal, not in principle, but because they see it as a way of getting more seats out of the system than they do at present. I am a practical politician and I have never met someone from another party who wants to give away their seat. Throughout my political life I have tried to defeat the Liberal Democrats and the Tories. I do not believe that politicians will willingly give them their seats. That is not a practical possibility.

9.7 pm

Mr. Alan Johnson (Hull, West and Hessle): I came to praise Jenkins, not to see the report buried. It has been unkindly, indeed scurrilously, said by Tory Members that my right hon. Friend the Home Secretary will try to do both. That is not possible. As President Nixon famously said, "Once the toothpaste is out of the tube, it is impossible to get it back in again."

As we approach the 21st century, we are having a debate on our democracy. I agree with my hon. Friend the Member for Cannock Chase (Dr. Wright)—I am surprised at some of the comments from this side of the House—that, if we are committed to reforming the second Chamber, decentralisation, a Scottish Parliament, devolution for Wales and incorporating the European Bill of Human Rights into British law—something, incidentally, similar to a freedom of information Bill, a matter that has never been raised on a doorstep with me anywhere—we cannot just screech to a halt when it comes to the system for electing Members to this Chamber.

This can be a healthy debate. There is no need for any rancour or divisions. We can change the system devised by a small political elite at a time when working-class men, let alone all women, did not have the vote. For the very first time, we shall give the British people a say in the type of voting system that is crucial to our democracy. As my right hon. Friend the Member for Chesterfield (Mr. Benn) said, it is a foundation stone of our democracy.

In this debate, we must accept that the Conservative party will be united against us on the referendum. My right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman) said that would be terrifying. I do not find it so, but of course they will be against us. That is the stance of the Conservative party. It is against all constitutional change, conservative in every sense of the word. Labour can have a healthy debate because we are committed to moving it forward.

I go some way along with it, but it is depressing to hear the argument that we are dearly loved by our constituents and that they elect us because of our special skills and talents. I arrived in my constituency 18 days before polling day, halfway through the campaign. The posters for the previous candidate were in the windows but I was still elected. The preening, self-regarding argument that everything in Parliament is perfect has come up again and again. It is suggested that new Members who come in on the top-up will spend their time in the Tea Room, that they will be lesser politicians than us, as if none of us ever went near the Tea Room.

The argument, especially for Labour Members, must be about whether we are committed to change and whether there is a case for change in the Jenkins report. Jenkins is not the only one to examine our system and come out for change. There was a Speaker's Conference in 1917 and a Hansard Society commission on electoral reform in 1976. Labour set up the Plant commission. Plant did not convert to electoral reform and proportional representation until he had been through that process. There is plenty of evidence to suggest that we should change.

I do not accept that narrow party political advantage should colour our judgment. As others have said, turkeys do not vote for Christmas. We are the first party in power to decide to go to the country to give it the chance to change the system that gave us power.

There is an important lesson for Labour Members. Not only votes for women and the universal franchise but electoral reform were founding principles of our party from 1900. We sought electoral reform until 1945, when our landslide—the precedent for our general election victory last year—led to a sudden loss of interest. We thought that, if we could win Hastings, and Hove, we had no need to worry about electoral reform. However, in 1951 our Government received the largest vote ever for a political party in Britain—250,000 votes more than the Conservative party got—yet lost the election by 26 seats and spent 13 years in opposition. That is why I want us to address the issue properly and give the people a chance. Let us start the debate in the right way by accepting that, while there will be different points of view, in the end, we shall agree that there must be a referendum of the British people because it is their decision.

9.12 pm

Mr. Alan Hurst (Braintree): I am glad to follow my hon. Friend the Member for Hull, West and Hessle (Mr. Johnson). When he talked of a scheme devised by a political elite, I assumed that he meant the Jenkins committee, but he was referring to our forebears.

Jenkins is being misjudged in many ways. He was not asked, as though he were King Solomon, to devise the perfect electoral system; he was asked to present an alternative to our system. His alternative greatly flatters our present system because, whatever else it is, it is not proportional representation. There may be a hint of proportionality, but that is like saying that a man is a little bit honest. It is not what the Liberal party has campaigned for from about the time that the Labour party took the other side of the argument. In the end, all the arguments about proportionality are based on electoral calculations, although I concede that political principles run through the system.

I am surprised that the Liberals are prepared to go with the Jenkins recommendations. Ever since I can remember, the Liberal party has supported the single transferable vote, and, whatever the Jenkins system may be, it is not that. I have a feeling that the Liberals have been hoist by their own petard. Having supported the single transferable

vote for so many years, and having now won some seats by tactical voting, they would rather like to jump to the alternative vote, but it is very difficult to eat 60 years worth of words, is it not?

So the Jenkins position is neither proportional nor anything else. I do not blame the noble Lord for that because, within the terms of reference, it was impossible to produce something that was broadly proportional while retaining the other features that he was asked to include.

There is a case for the alternative vote in single-member seats, but I do not endorse that for the following reason. We should not be seen to be playing politics with the electoral system to our own advantage. If the voters perceive that we are coming along with calculations for different systems, they will lose even more faith in our democratic process than some of them have already lost. I would sooner quote Adlai Stevenson, but my hon. Friend the Member for Hull, West and Hessle (Mr. Johnson) mentioned Richard Nixon. A famous quotation from Richard Nixon is, "Winning is a lot more fun". I think that that is what all those calculations are about, but we should not base our judgment on that. I am wedded, as other hon. Members are, to the single member seat so that a Member represents an individual division, irrespective of who voted for him or her. That is the kernel of the argument. That can be retained with the alternative vote, but I believe that it would be wrong to be perceived to do that.

I come to the ultimate danger of the proposal before us. At the start of the debate, we heard about the Conservative romantic poet—that is like the Jenkins system, something that is almost impossible to combine—who was the Member of Parliament for a rotten borough. The rebellion that produced the Great Reform Act was, among other things, against the fancy franchises. I fear that the Jenkins system is the fancy electoral system, rather like the curry dinner that one has stiffened up or weakened down, depending on one's taste. One can increase the proportionality or diminish it according to the party political calculation of the result.

I can only think that the noble Lord had asked focus groups about what would have happened in the 1950 election had we had various systems. We do not know, and, in view of the risks inherent in change, I wish to stay with the system that has served this country well for so many years.

9.17 pm

Siobhain McDonagh (Mitcham and Morden): This is only the second time that I have spoken in the House since the election. I come tonight to speak just because I feel so strongly about the issue. I find it difficult and off-putting, but in considering the role of the Member of Parliament in the past 18 months, I should like to say to my hon. Friend the Member for Hull, West and Hessle (Mr. Johnson) that I represent a constituency in which I was born and brought up, a constituency that I fought three times. I would not want to represent anywhere else in the country. So, for me, the local link is incredibly important.

I am worried about top-up Members of Parliament because I see a society in which people feel more and more alienated from what is around them. Young people feel alienated. Banks, building societies, the Post Office and the benefits system are removed from our high streets, more distanced and moved further away from people. The journey towards top-up Members of Parliament strikes me as going in that same direction. People are finding themselves further away from the Members of Parliament whom they want to represent them.

I do not believe that I am anything wonderful. I do not believe that most of the people here are anything wonderful, but I believe that, whatever party they represent, they represent their constituents and listen to their constituents' problems. I am sure that no one here asks, "Who did you vote for?", before helping them with their housing inquiry or benefit inquiry. That lie has to be nailed because we shall get increasing alienation if that sort of image comes across.

What will top-up Members of Parliament do? Lord Jenkin outlined two roles. The first was that they could liaise with local authorities and Whitehall. Do we not all represent our local authorities? Do we not all get our council leaders in to see Ministers when there are problems? Do any of us want to delegate that job? No, we do not, because we live in our area and we know our local councils. I do not know Sutton as well as the hon. Member for Sutton and Cheam (Mr. Burstow), nor any of the other boroughs included in the area into which my borough is to be put as well as the local constituency Members of Parliament. How will the top-up Member of Parliament know the five boroughs better than any individual Member of Parliament? If that is the best system for top-ups that the noble Lord Jenkins can come up with, it is doomed from the start.

The top-up area containing my constituency is a bizarre and wholly arbitrary construction, covering Feltham and Heston, Brentford and Isleworth—areas north of the Thames and those out in west London. It happily tramples over the huge distinctions between inner and outer London as though they do not matter. It ranges from deprived Mitcham council estates to leafy Surrey suburbs. It is a totally artificial construct, which fails almost every test that any self-respecting boundary commission would set. It adds nothing to local democracy and accountability and takes no account of the needs of the people it contains. It has been brought into existence purely to fulfil some psephological criteria and, as such, should be strangled at birth.

The second justification for the innovation is that it will guarantee a greater political spread of parties represented. Thankfully, the commission rejected the German level of top-up Members and in doing so attempted to avoid the scenario of a rival and equally active Member of Parliament of an opposing party being on the scene. However, that is precisely what the proposed system will deliver, and it takes no great leap of imagination to envision top-up Members of Parliament being played off against constituency Members of Parliament. I would find it extremely difficult if a top-up Member of Parliament who had been elected by people who, in the main, lived 15 or 20 miles away from my constituency set him or herself up in opposition to me—the Member of Parliament directly elected by the people of Mitcham and Modern—over a local issue that directly affected my constituents. What possible democratic justification could there be for a system that enabled that to happen? Such a system would remove accountability.

How would voters get rid of an individual top-up Member of Parliament whom they disliked? If Michael Portillo had been a top-up Member of Parliament,

[Siobhain McDonagh]

he would still be sitting on the Opposition Benches, instead of making television documentaries that nobody watches. The people of his constituency replaced him with my hon. Friend the Member for Enfield, Southgate (Mr. Twigg), which was an excellent decision, even though my hon. Friend is wrong on this particular issue. The people of that constituency had the power, and democracy worked.

The introduction of top-up Members of Parliament is a step in the wrong direction and, yet again, highlights the essential absurdity of the so-called compromise. Lord Jenkins has produced a system that is neither one thing nor the other. He calls it "unique" and says that it is the "best solution for Britain". However, the only reason why the report shoehorns an entirely arbitrary number of top-up Members of Parliament into the system is to give it a veneer of proportionality. Removing the top-up element leaves a system that is hardly proportional at all.

It is wrong that a major constitutional innovation, containing all the inherent weaknesses that I have described, has been proposed, purely to graft a proportional element on to an otherwise modest set of reforms. It is not the best solution for Britain. It is a report which, to coin a phrase used by the noble Lord Jenkins, plays the fuddled fiddle in the muddled middle. I, for one, would have great difficulty giving it my support.

9.22 pm

Mr. James Plaskitt (Warwick and Leamington): In a sense, those who speak in this debate should declare an interest: we are all the product of the current system, so we all have an interest in it. However, it is not our system, it is not our democracy and, as some speakers have said, they are not actually our constituencies. We need to raise our sights above self-interest and party interest, which is something about which we have heard a great deal in the debate. We have to look critically and objectively at the system that sent us here and we need to test the reform proposal, not against our interests, nor those of our party, but against the public interest. That is where we find the current system wanting and why we should reform it.

Three groups of arguments against reform have been used and I might have time to look at each of those. The first argument—that the proposed system is too complex—is the one that I find the least reputable of all the arguments ranged against reform. Voters are asked to complete two ballot papers—well, they often have to do that already. In addition, they are asked to rank candidates in order of preference—it really is as easy as one, two, three. The hon. Members who have argued that the system is too complex are insulting the electorate's intelligence.

The counting may be complex, but voters will not be asked to do that. The transition may create upheaval, but, again, voters will not be involved in that. Different electoral systems exist throughout Europe and all have higher turnouts, but in none do the voters complain that they are too complex. I do not understand why that argument is being wheeled out.

The second argument is that reform leads to coalition politics. The Jenkins report aptly reminds us that, for 43 of the past 150 years, first past the post has delivered us coalition government, and for a further 34 of those years, Governments were propped up by minority parties. If the past four elections were rerun on the Jenkins system, three would have had clear winners and only the 1992 election would have had an indeterminate outcome.

Another point to consider is that voters might want cross-party co-operation. Why should they not? That is a perfectly legitimate choice. Who are we to deny them that choice if that is what, in certain elections, they want?

Related to that is the argument that a reformed system would offer too much power to minorities. In many senses, so does first past the post, especially if the minority is geographically concentrated. At the 1974 election, the Scottish National party, with about 1 per cent. of the national vote, had almost as many seats as the Liberal Democrats with 19 per cent. of the national vote. Therefore, small parties can hold the balance of power under the first-past-the-post system.

The criticism of reform is that it would give too much power to minorities. That charge could be brought against the first-past-the-post system. It delivers outright wins and total power to parties which have secured less than 40 per cent. of the vote at a general election. That is what I call giving too much power to minorities.

The third argument is that electoral reform is irrelevant and that there are more important things to do. I would argue that electoral reform is important. It is about a greater maturity in, and greater credibility for, our democratic process. It is not acceptable to cling to a system that is unfair and that distorts people's choice.

We did not hear much about electoral reform between 1945 and 1970 when two political parties garnered between them about 95 per cent. of the vote, but that was an unusual period in British politics. For most of the 19th century, for the first half of this century and for the past 30 years, British politics has been a multi-party system, which first past the post does not fit in with and which leads to distortions.

We should have a system that aspires to be democratic, to make votes count and to make them count equally. I commend the Jenkins report. Some proportional representation systems are terrible. They create instability, fracture the political process and foster extremism. I welcome the Jenkins report because it steers us away from those failed proportional representation systems and offers instead a system that builds on what is best in British electoral tradition—constituency links, local identity and ease of use.

9.27 pm

Mr. Gordon Prentice (Pendle): I shall be brief because many of my colleagues want to speak.

We hear much about the third way. My right hon. Friend the Prime Minister tells us that the third way is work in progress. Nothing could illustrate that more than what is happening in the sphere of constitutional change.

Proposals for a reformed other place should link in with proposals to change the electoral system. We now have a multiplicity of voting systems in the United Kingdom. We have the supplementary vote for the London mayor and other city mayors and the closed proportional list system for the European Parliament, and we still have first past the post for local government. So it goes on. We have the single transferable vote in Northern Ireland and the first-past-the-post additional-member system for the new Scottish Parliament and Welsh Assembly. There is no coherence there.

Commentators rightly say that we do not have the faintest idea of where the dismantling of the British state is taking us. The Prime Minister has an obligation to start painting the big constitutional picture. I have no idea yet what that big constitutional picture is. I want to know whether changing the voting system is part of the project, because I do not yet have a clear idea what the project is. If we are turning completely on its head the way in which this country is governed, Members of Parliament, members of the Labour party and people in the community must have a vision of where those changes are taking us.

I wish to raise a point that has not been made in the debate so far. I refer hon. Members to the Plant report, which was published in 1991. In that report, Lord Raymond Plant says that there is

"no ideal electoral system and each one has its defects and its drawbacks."

That is a statement of the obvious, but he continues:

"but it has to be understandable. We believe it is important for citizens to be able to understand the electoral system in which their democratic rights are exercised."

I have read the Jenkins report several times, and I do not think that most people will understand it. In an article in *The Daily Telegraph* on 30 October, Lord Alexander, a member of the Jenkins commission, wrote that the alternative vote is no alternative. However, he was describing the supplementary vote. So a member of the Jenkins commission, writing in *The Daily Telegraph*, has completely misunderstood what the Jenkins report says. If a member of the commission can get it wrong, I am sure that the rest of us can do the same.

9.30 pm

Mr. Oliver Letwin (West Dorset): If I had realised what a memorably splendid speech the hon. Member for Pendle (Mr. Prentice) would make, I would have requested that he be given more time in which to do so.

In 1917—which, I admit, is a long time ago—the subject of proportional representation was debated in the House. A splendid figure named Colonel Sanders told the House that "extraordinary people" are returned to the House of Commons. The Home Secretary is indeed an extraordinary person. His brilliant stratagem of ministerial charm—I do not know why more of his ministerial colleagues do not follow suit, but I hope that they will not—was exercised tonight highly destructively and to great purpose.

The Home Secretary told us at the beginning of the debate something of which the whole House needed to—and, on the whole, did—take account. He said that we ought not cynically to decry the motives of people on either side of the debate. During the progress of the debate, we were given ample reason to follow that advice. Tonight, a combination of Conservatives, who lost abundantly the last election, sided with Labour Members, who won abundantly the last election. It is difficult to construct a single interest that joins those two groups who take a common view. We opposed Labour Members, who won the last election, joined with Liberals who have never won any election.

Mr. Straw: Early in the century.

Mr. Letwin: I apologise. I mean that they have never won anything as the Liberal Democrat party. The real Liberal party opposes the whole scheme in any event. I admit that the Liberal Democrats have a self-interested reason for proposing the scheme. However, Liberal Democrat Members offered some real arguments in favour of the scheme, and I do not think that we should decry their motives either.

There are principles at stake, and the debate revealed two clear principles: one positive and the other negative. The positive principle is that the current British system—the simple majority system—has inestimable advantages. As we were reminded frequently during the debate, the system is used in half the world. Why? It is used in half the world because the system affords clear government and clear and robust debate—which is a central part of the political and judicial culture of this country. We believe in debate in the law courts and in Parliament and also in clarity, and our system delivers those things. The hon. Members for Middlesbrough (Mr. Bell), and for St. Helens, South (Mr. Bermingham) and my hon. Friend the Member for Mid-Dorset and North Poole (Mr. Fraser) made that point most clearly this evening.

Secondly, our British system ensures that all Members of Parliament represent all their constituents. That point was emphasised over and over this evening. The right hon. Member for Chesterfield (Mr. Benn)—in what was a splendid performance, even by his standards—told the House what that meant to someone who has been here for a very long time. My hon. Friend the Member for South Holland and The Deepings (Mr. Hayes), who made a characteristically robust speech, emphasised the same point, as did the hon. Member for Mitcham and Morden (Siobhain McDonagh), from whom we might have heard more with great pleasure.

There is a third inestimable advantage attached to our British system. Again and again this evening the point was made: our system delivers coalitions, but it delivers them before elections. It forces politicians in the great parties to join together and argue the toss, and then to put to the electorate a single platform and programme, which the electors can accept or reject. That is known as voter choice.

The point was made repeatedly and forcefully by my hon. Friends the Members for Poole (Mr. Syms) and for New Forest, West (Mr. Swayne), and by the hon. Members for East Londonderry (Mr. Ross), for Burnley (Mr. Pike) and for Watford (Ms Ward). I hope that I have not forgotten any other hon. Members.

Mr. Kaufman: The hon. Gentleman says that parties are elected on manifestos and are expected to carry out their manifestos. Is it not interesting that the right hon. Member for Berwick-upon-Tweed (Mr. Beith) asked us to hold to our manifesto by having a referendum before the next general election, whereas when the Liberals had power during the Lib-Lab pact in the 1970s, they prevented us from carrying out our manifesto?

Mr. Letwin: Indeed. With his customary acuity, the right hon. Gentleman makes a point that is deep, as well as amusing. It is a function of post-electoral coalitions to muddy the waters. As many hon. Members pointed out, they create manifestos for which no one has voted, and they end up by preventing either of the parties in the coalition from fulfilling its manifesto. We should add that the Liberals during that period also did not fulfil their manifesto. That is par for the course.

[Mr. Letwin]

There is a fourth feature and a further inestimable advantage of our simple British system. It delivers what has been christened "removal van democracy." We know that—we were in the removal van last time, hundreds and hundreds of us.

Mr. Graham Allen (Vice-Chamberlain of Her Majesty's Household): Not enough.

Mr. Letwin: Even the hon. Gentleman ought to have been satisfied by the scale of that removal.

Our system allows the British people to make a choice to get rid of their Government. My hon. Friend the Member for Epping Forest (Mrs. Laing) made the point strongly, but before the debate began, someone else made it to me even more poignantly. That person will be recognised by Labour Members, some of whom worked with him.

I spent a little time this afternoon with the noble Lord Callaghan. He told me what he thought about the elections going back a long time—longer than I had imagined anyone could—since 1935. He pointed out the striking feature that even in the cases where there was an apparent disproportion between votes cast and seats won, if one asks the historical rather than the statistical question, "Did the product roughly correspond to what the people of this country wanted to bring about?", broadly it did. That was a grand old Labour politician speaking, who has won and who has lost.

Mr. Allen: He was pulling the hon. Gentleman's leg.

Mr. Letwin: Contrary to the hon. Gentleman's statement, I do not believe that Lord Callaghan was pulling anybody's leg. He spoke with passion and from conviction.

The argument is not based solely on the inestimable advantages of our system. If it were, we would be on weak ground. Although I have described the great advantages, there are of course arguments against our present British system which, like any system, has its defects. The strength of the argument relies on the fact that allied to the real advantages of our present system, the system proposed by Lord Jenkins has grotesque disadvantages.

First, as one of the members of the Jenkins commission pointed out, its report is self-contradictory. My hon. Friend the Member for Aldershot (Mr. Howarth) and the right hon. Member for Manchester, Gorton (Mr. Kaufman) made that clear. The report contains abundant contradictions, above all because it starts out by establishing one part of a system—AV—only to find that that contradicts the essence of what the commission is trying to achieve, and therefore has to add a contradictory system of top-up. That is an odd thing to do.

Secondly, critically and ironically, the proposed system is not a proportional system. It does not even claim to be a proportional system. It is what the hon. Member for Braintree (Mr. Hurst) described as a fancy franchise. The hon. Members for Feltham and Heston (Mr. Keen), for St. Helens, North (Mr. Watts) and others pointed out that the proportionality in the proposed system is strictly limited. AV-plus it may be; proportional representation it is not.

It has another feature. I agree that it is not compelling by itself but surely it is one that is enough to make one have doubts. The proposed system has never been used anywhere else in the world. However, that is less remarkable than the fact that so far as our researchers have been able to unearth it has never even been proposed for discussion anywhere else in the world. People have been talking about proportional representation for more than 200 years. There are—I have so far been able to count only a portion of them—more than 120 books written in the English language on the subject yet no one has ever come up with the system that has been proposed. That must give one cause for thought.

Mr. Linton: Even though the proposed system is put forward as a unique British system to suit British conditions and therefore does not purport to be like some other system, does the hon. Gentleman agree that there are 27 countries that have mixed proportional and majoritarian systems, that seven of them are additional Member systems, including Germany and Italy, and that one of them uses a preferential system combined with a majoritarian system? To say that the proposed system is unique is not quite true.

Mr. Letwin: The hon. Gentleman, alas, neglects the fact that one half of the proposed system has never been combined with other half in any other place; nor has it ever been proposed that it should be so combined. Most of the problems with the system arise from that very combination.

Thirdly, like every other proportional representation system known to man, to the extent that it is proportional it has another tendency. That is inevitable. It is the logic of the thing. It tends to produce weaker coalition Governments. It has been said that the present British system can also produce coalitions. That is true but a proportional representation system is likely to produce them more of the time.

It has been said that in three of the past four elections the proposed system might not have produced a coalition. That is slightly untrue because it probably would have in two. Even if three of four were true, that hardly makes the point. Of the past 15 elections, seven at the very minimum, eight probably and possibly nine would have produced coalition Governments under the proposed system. It has a greater tendency to coalition and hence to weakness than our current system.

Next, and most importantly—indeed, to my mind conclusively—the proposed system would create coalitions in the opposite way to that under which our present circumstances direct us. It would create coalitions after elections. The politicians would create the coalitions and not the voters. The proposed system denies voters choice.

I regret to say that that does not worry Lord Williams of Mostyn, Minister of State, Home Office, who in the other place was defending the Home Secretary's splendid proposals for a closed list, when he said that the open list would give voters too much choice. That is one of the most remarkable statements ever made in any parliament. It was something that worried the hon. Member for Liverpool, West Derby (Mr. Wareing) and it also worried

Ramsay MacDonald. All those years ago Ramsay MacDonald, well known to some Labour Members, of course, said:

> "The present method, at any rate, compels candidates, whilst they are still candidates, to declare where their cohesion is, who their colleagues are, and what party they have got to work with, so that, on the whole, the majority in this House is a representative majority and not a scratch majority."—[*Official Report*, 22 May 1917; Vol. XCIII, c. 2232.]

I could not have put it better myself.

Mr. Beith: I do not remember that at the start of the Government led by the right hon. Member for Huntingdon (Mr. Major) he announced to the world that to get the Maastricht treaty through he would have to seek the support of another party—the Liberal Democrats—in order to do so, but that is what happened.

Mr. Letwin rose—

Mr. Bermingham: The right hon. Gentleman paid the price.

Mr. Letwin: The hon. Gentleman says exactly what I was about to say and very well. My right hon. Friend the Member for Huntingdon (Mr. Major) paid the price.

Irony of ironies, and finally, the proposed system of Lord Jenkins of AV-plus produces a disproportion of power. It may produce proportionality to some slight degree in seats and votes but far more powerfully it creates a disproportion, I think uniquely among all the systems of proportional representation proposed anywhere. It excludes all the tiny minorities and gives permanent or near-permanent position of power to one party, a party which by pure coincidence is the party of the chairman of the commission.

I have only a minute or two left so I shall bring my remarks to an end. This has been a good debate and, I think, a fair one. I think that it has been one in which the arguments have been put well. On the whole, as a matter of fact, the right side has won, but that is not my point. It has been a fair debate because it has been conducted by the rules and because the House has rules that we all observe and respect.

My final plea is directly to the Home Secretary. I am sure that he is a decent man. He has a reputation for integrity. His position on this matter is well known, though it is not entirely shared by the whole Cabinet. Let us have, in this and all cases, a fair referendum, which is also conducted by the rules. Those rules should be settled by a genuinely independent commission, appointed by the Speaker or some other utterly independent person. They should govern access to the media, and funding so that we do not have a one-sided campaign. They should ensure that the people of this country genuinely decide, on the basis of real understanding, with the arguments made fairly on both sides. If the arguments that I have put forward do not win the day, as democrats we shall accept that. I expect that, on the contrary, we shall overwhelmingly win such a referendum.

9.45 pm

The Parliamentary Under-Secretary of State for the Home Department (Mr. George Howarth): It is traditional to say so, but this has been an interesting and wide-ranging debate. As the hon. Member for Aldershot (Mr. Howarth) said, we see the House at its best when we debate a subject which, for once, we all understand. The prospect of any change to the way in which we are elected to this House is of fundamental importance to right hon. and hon. Members on both sides of the Chamber. If my mathematics is right, 38 hon. Members have spoken in the debate. There are few debates in which so many hon. Members have has the opportunity to speak.

In opening the debate, my right hon. Friend the Home Secretary typically kept us guessing throughout his speech about his point of view on this subject. He made a plea for as wide a discussion as possible to take place, not just in the House but throughout the country. Today's debate has been an excellent starting point.

Before dealing with some of the points that have been raised, I should like to say a word about the report, its purpose and the process that it has triggered. Like others, I pay tribute to the commission and its chairman, the noble Lord Jenkins, for the manner in which they have conducted their inquiry and the result, which, as many hon. Members have said, is both readable and faithful to the terms of reference that were given. Some might disagree that the report is readable, but I shall return to that in a moment.

During the debate, and in comments in the media, for example, much has been made of the role and motivation of the noble Lord Jenkins. Those who made such comments include the hon. Members for Woodspring (Dr. Fox), for Mid-Dorset and North Poole (Mr. Fraser) and for West Dorset (Mr. Letwin).

It is both unfair and short-sighted to malign the character or motivation of Lord Jenkins. It is certainly unfair to those who sat on the commission with him, as it implies that they played only a passive role. From what I know of those concerned, it is unlikely that they would behave in that manner. Baroness Gould is the commission member I know best. I have known her for many years, and on several occasions have really feared her—she was formerly general secretary and a senior official in my party. Anybody who knows her will agree that she is the last person to be used in such a way.

The prose style of the report bears all the hallmarks of Lord Jenkins. My hon. Friend the Member for Cannock Chase (Dr. Wright), who had to leave early, mentioned some of the words used in the report. I looked up one in the Oxford dictionary, but could not find a definition. Nevertheless, the report was extremely readable. The analysis and thinking in the report, with the possible exception of the note of reservation from Lord Alexander, was the product of a consensus between the members of the commission as to how the terms of reference could best be met.

Leaving aside my views, my reading of the report suggests—several hon. Members have taken issue with this—that the members of the commission have arrived at a recommendation which comes as near as possible to meeting the terms of reference that they were given to work with. My hon. Friend the Member for Cannock Chase (Dr. Wright) made that point, as, implicitly, did my hon. Friend the Member for Braintree (Mr. Hurst).

If we are to have change—and ultimately that will be, quite properly, a decision for the voters—we now have an alternative, whether we like it or not, alongside which the

[Mr. George Howarth]

status quo of the first-past-the-post system can be judged and debated. In that important sense, the commission members have done us a service.

The report gives us an excellent starting point for a debate which can take place, hopefully—as, for the most part, it has done this afternoon and this evening—in a considered manner as part of the process leading up to the referendum. Surely—as has been pointed out—this is a grown-up way of doing things, and I hope that we can continue in that way.

Some aspects of the report will excite those of us who stand for election. There is no question about that. These are important issues, and strong views are held on all sides. However, that is no reason to stop us having a proper and informed debate on the subject. In order to have that debate, it is necessary to have a considered alternative to the status quo. Otherwise, we will end up debating the first-past-the-post system against all other systems. Frankly, that will take us nowhere.

Mr. Bermingham: Let me ask my hon. Friend a simple question. When the referendum comes, will it be a question of Jenkins or the status quo? Could it be that a new way will emerge?

Mr. Howarth: Certainly the referendum question will be drawn from Jenkins, but it would not be sensible to say at this point quite how it will be framed. The hon. Member for West Dorset referred to the issue, and Neill had something to say about it. We will debate that on Monday. For the moment, it is best to leave the question in that setting. It is not that I do not wish to engage in debate, but it would not be right to hurry into such a dialogue.

Perhaps I could briefly cover some of the points raised in the debate. I wish to refer in particular to the speeches by my right hon. Friends the Member for Chesterfield (Mr. Benn) and for Manchester, Gorton (Mr. Kaufman). Both have wide experience of this House and of the process of government, which gives added weight to their arguments. It has often been said in the debate that not all Members of this House are equal. In an important sense, the kind of experience that both my right hon. Friends have had makes them slightly more equal than others.

Knowing the strong views of my right hon. Friend the Member for Chesterfield on many subjects—particularly constitutional issues—I wonder if it gave him pause for thought to find so many right hon. and hon. Members from the Conservative party agreeing with every word he said. That phenomenon has not always been familiar to him.

Mr. Benn: It's the third way.

Mr. Howarth: My right hon. Friend calls it "the third way". My right hon. Friend the Member for Gorton has, on many occasions, expressed his displeasure in a very elegant way—a way that I have often admired. He did not let us down on that score today, and he has wide experience that he brings to play.

I wish to single out two speeches by Opposition Members—the hon. Members for New Forest, West (Mr. Swayne) and for New Forest, East (Dr. Lewis). The hon. Member for New Forest, West made a speech—I say this in a true spirit of friendliness—which was one of the most surreal I have ever experienced in this House. In an eight-minute speech, he had to concede that almost every one of the points that he made was wrong. Indeed, he conceded that on more than one occasion. I suspect that, if the hon. Gentleman is completely honest—which I know him to be—he will have to agree that he has not read the report as thoroughly as he might have. The hon. Member for New Forest, East, however, has at least read some parts of the report. We know that for certain, because he read them out to us.

I am worried about one aspect of the report. Paragraphs 114 to 116 discuss, in terms, the concern that the proposed system would create two classes of Members. The hon. Member for Woodspring (Dr. Fox) mentioned that when he opened the debate for the Opposition, and it was also mentioned by the hon. Member for Aldershot (Mr. Howarth) and others. Having been a Member of Parliament for some 12 years, I—like many other hon. Members—would take some convincing that a system involving constituency Members and top-up Members representing larger sub-regional areas would not turn out to be a recipe for local instability. It might well produce greater national stability, but at local level it could create problems.

Let me put it bluntly. The proposals contain the seeds of a system that could lead to permanent electioneering at local level, not only between political parties—which, of course, is very healthy—but between elected representatives within parties. That is a real fear, which must be dealt with in the debate that we will have in the future.

A further issue that arises from the proposed new role for top-up Members of Parliament is accountability. Several speakers have raised that issue. The report itself makes it clear that all Members of Parliament take pride in, and bear in mind, the fact that, once elected, we represent all our constituents, irrespective of whether they voted for us. My hon. Friends the Members for Mitcham and Morden (Siobhain McDonagh) and for St. Helens, North (Mr. Watts) made that point very effectively, in their own way.

Between elections, however, we are held to account in various ways. There is the pressure of local opinion; there are our surgeries; the way in which we perceive policies may affect our constituents. There is also the oft-quoted postbag. Several of my colleagues have developed novel ways of being held to account, such as forums and question times. Tomorrow night we are holding a Member of Parliament's question time in my constituency, in Knowsley village, for the first time. I am interested to see how that will work, and I consider such experiments to be useful.

However, one of the main ways by which we are held to account is through our constituency parties or associations. In some important respects, between elections, local party members and organisations stand proxy for the wider electorate. They hold us to account. In my experience, that is not a means by which the party machine subverts us in smoke-filled rooms; it is a more subtle, but nevertheless important, process. Inevitably, top-up Members would not readily have such means available to them. I fear that, in trying to establish themselves, they would step on the toes—or even, dare I

say, more sensitive parts of the anatomy—of those representing constituencies. That brings us back to the problem that I mentioned earlier.

We are all aware that the Government are embarked on a process of enacting major constitutional reforms, and it is important for us to see that as part of a bigger picture. The real issue, however—as many hon. Members have said—is that the final decision should not be made by politicians, or even by the House of Commons. Whatever prejudice, or whatever objective view, some of us may or may not hold, the people should make that decision. It is appropriate that there should be a referendum at the right time. It will be a big decision, with far-reaching consequences.

I believe that this has been a useful debate. The House has started a process. All the arguments have been rehearsed and, in a real sense, the House has performed a useful function. As many hon. Members have made clear during the debate, in due course it will be for the electorate to decide, and rightly so.

It being Ten o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Mr. Deputy Speaker (Mr. Michael Lord): With the leave of the House, I will put together motions 2, 3 and 4.

BUSINESS OF THE HOUSE

Ordered,

That, at the sitting on Monday 9th November, the Speaker shall not adjourn the House until any Message from the Lords relating to the Scotland Bill shall have been received.

Ordered,

That, at the sitting on Tuesday 10th November, paragraph (2) of Standing Order No. 31 (Questions on amendments) shall apply to proceedings on the Motion in the name of Mr. William Hague as if this day were a half-day Opposition Day allotted under paragraph (2) of Standing Order No. 14 (Arrangement of public business) and the questions on that Motion shall be put at Seven o'clock.

Ordered,

That, at the sitting on Tuesday 10th November, notwithstanding paragraph 1 of Standing Order No. 16 (Proceedings under an Act or on European Community Documents), the Speaker shall put the questions on the Motions in the name of Mr. William Hague relating to the Personal Equity Plan (Amendment) Regulations 1998, the Individual Savings Account Regulations 1998 and the Individual Savings Account (Insurance Companies) Regulations 1998 not later than one and a half hours after the start of proceedings on the first such Motion.—*[Mr. Allen.]*

Mr. Deputy Speaker: With the leave of the House, I will put together motions 5, 6 and 7.

COMMITTEE ON MODERNISATION OF THE HOUSE OF COMMONS

Ordered,

That Mr. Mike Hall be discharged from the Committee on Modernisation of the House of Commons and Mr. Ivor Caplin be added to the Committee.

COMMITTEE OF PUBLIC ACCOUNTS

Ordered,

That Mr. Christopher Leslie and Mr. Phil Hope be discharged from the Committee of Public Accounts and Mr. Gerry Steinberg and Mr. Stephen Twigg be added to the Committee.

PROCEDURE COMMITTEE

Ordered,

That Mr. Damian Green be discharged from the Procedure Committee and Mr. Robert Syms be added to the Committee.—*[Mr Allen.]*

Theatres and Opera Houses

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Allen.]*

10 pm

Mr. Brian Sedgemore (Hackney, South and Shoreditch): This is a tale of two cities. One is inhabited by white, middle-class, elderly citizens, outwardly genteel and soft spoken, but inwardly grasping and greedy with a belief in their divine right to use and, if necessary, empty the public purse for their own purposes. When they visit the Royal Opera house, they shuffle uneasily in the presence of unwelcome strangers wearing smelly trainers. When they leave, they step gingerly over beggars wondering what the world is coming to, blissfully unaware that all the brilliant entrepreneurial strategies for pulling this chaotic, shambolic and dysfunctional organisation from the brink of financial ruin consist of little more than begging for increased public subsidy to be paid by those who are considerably less well off than themselves. Were it not for the fact that I am an opera lover, I might be tempted to comment critically on that absurd situation.

A couple of miles away in the other city, a younger, more eclectic audience, streetwise and sharply dressed, many of them black, some of them Turks, a few of them Vietnamese and none of them rich, makes its way to the Hackney Empire. It is easily the largest and certainly the finest theatre in east and north London, with its wonderful proscenium arch and Frank Matcham's inspiring and dazzling interior.

It is not that those theatre-goers envy the patrons of the Royal Opera house—I dare say more of them might get into opera if the house dropped its sneering policy of paying only lip service to education—it is simply that those who live in the east end are a world apart from the AB social classes of the ROH. Profligacy and conspicuous consumption are not part of the east end lexicon. The Hackney empire audience is puzzled as to the whys and wherefores of how the British arts establishment works.

Those in the Hackney empire audience see that the toffs at the Royal Opera house have no difficulty in getting funding for their building. They sense that it has something to do with establishment cronies in the opera world moving through revolving doors. They worry that their Government may be giving middle England and metropolitan London a higher priority than disadvantaged London. They get angry when they witness the shenanigans and financial improprieties of the Royal Opera company. The minds of the Hackney empire audience can only boggle when they witness the ROH receiving a lottery grant of £68 million for a new building, followed by the promise of increased public subsidy, at a time when there is anarchy at the house and the company is building up a £20 million plus deficit to take with it into the new millennium.

Let us not beat about the bush. If the Royal Opera company was treated as it should be, like a private trading company, the members of the board and management of that bankrupt company would be up on charges of fraudulent trading. Millionairess Mrs. Vivien Duffield, the deputy chairman, would be carted off to Holloway prison. Sir Colin Southgate, the chairman and Lord Eatwell, two new Labour stalwarts, would find themselves being treated by Her Majesty, not at Buckingham palace but at Wormwood Scrubs.

When the Royal Opera company offers Sadler's Wells £1 million in compensation for breach of contract, it is offering the ballet company a bouncing cheque, as it has no money in the bank, only a mammoth pile of mounting debts—the Royal Opera is insolvent. That is a financial scam, based on the creditors' assumption that the Government will, in the end, always bail out the Royal Opera.

Even more bizarrely, as the Chancellor tells every firm in Britain to increase productivity or we die, the Minister for the Arts tells the Royal Opera company that, if it closes down its operation and reduces productivity to zero, a lot more subsidy will be on the way. That is obscene—a damnable disgrace.

It is no wonder that audiences at the Hackney Empire felt so cheated when the lottery application to preserve the theatre's stunning building and to provide modern facilities was turned down after the Arts Council's peremptory deliberations when, as a result of a change in policy, the new apparatchiks took over. It is no wonder that the "Save London's Theatres" campaign is up in arms and has told the Secretary of State and Gerry Robinson, the chairman of the Arts Council, so in no uncertain terms. It is no wonder that those who believe in fairness feel sickened at the way in which the Arts Council of England and the London Arts Board have told the Hackney Empire to get stuffed.

The Arts Council made its decision on the basis of a new policy to cut the size of bids. That policy was not approved until the Hackney Empire had spent £1.5 million on feasibility and development work with money provided by the lottery. What a wanton waste.

The Hackney Empire also seems to have run into the anti-London bias that has been developing at the Arts Council, a bias that the London Arts Board has, to its shame, done little to stop. There is also an element of snobbery and elitism that frowns on popular culture, although I do not want the House to be misled on that point. The Hackney Empire puts on first-class opera and has produced some of the best Shakespeare that I have seen, in addition to dance, music hall entertainment, comedy and alternative comedy. In October, we had a fortnight of "As You Like It" and "Antony and Cleopatra" directed by Michael Bogdanov and performed by the English Shakespeare Company. This week, we have the Carol Straker Dance Foundation and, next week, the Venice baroque orchestra Accademia Di San Rocco. This is state-of-the-art culture.

I am both saddened and pleased to be able to report that an insider at the Arts Council has confirmed my understanding that the council concocted the reasons it gave for rejecting the Hackney Empire bid. The true sequence of events—in so far as the Minister's brief from the Arts Council differs, it falsifies the record—is as follows.

A £1.5 million award was made by the Arts Council national lottery panel in October 1996. The purpose of the award was to contribute to the costs of feasibility and design studies to restore and upgrade the Hackney Empire, and to rebuild and add essential facilities. Part of the award was for the purchase of the Samuel Pepys public house. The size of the bid—£28 million—was determined partly by the need to integrate physically three sites and to dig out the basement, and also by the request for first-class architecture from all concerned.

Following European Union procurement procedures, a full design team, headed by a small group of architects, was appointed during July and August 1997 after an exhaustive series of interviews. Hackney Empire management and the design team developed the design brief and began the design process in August 1997, with an agreed deadline for completion to design stage—ready for a planning application—by the end of February 1998, and an agreement to submit an application for full lottery funding by the end of April 1998. Regular contact was maintained with the Arts Council, through written reports, the Arts Council's appointed project monitoring team and face-to-face meetings at the Arts Council offices.

On 17 November 1997, the Arts Council made the strange announcement that capital lottery awards were generally to be limited to £15 million. However, a statement was also made that an additional £200 million was available for

"large scale projects of national or international significance",

with a clear inference that the Empire was eligible.

On 21 November 1997, in anticipation of a meeting arranged for the beginning of December, Hackney Empire's chairman wrote to the national lottery director at the Arts Council of England's lottery unit, saying that he was assuming that the Empire would come under the national significance classification and stating that it was essential that the Arts Council's position be made clear at the December meeting.

At no time did officers from the Arts Council state that Hackney Empire could not be considered in the national significance classification. In a meeting at the Arts Council on 11 March 1998, the progress of the project was discussed. Once again, outline costs were given and nobody said that the Empire's bid was too high. The bid was supported by English Heritage, which liked the mix of modern and traditional architecture; the Royal Fine Arts Commission; the Theatres Trust; Sir Ian McKellen; Julie Christie; Griff Rhys Jones, the fundraiser, who had an enormous £7 million in place; Sir Norman Foster; and Sir Jacob Zunz, the engineer for the Sydney opera house, who was so excited by the scheme that he joined the Hackney Empire board. It seems that all those people knew nothing about theatres but that the Arts Council, with its new policy, suddenly did.

The lottery application was submitted to the Arts Council of England on 30 April 1998 and finally discussed by the council on 29 July 1998, in what was reported to be a two-hour meeting that considered more than 130 applications. The bid was rejected. Hackney Empire believed that it was part of a process, starting in October 1996. The approximate project costs were known at an early stage and were reported back to Arts Council officials. The expectation was that the bid would go through if the Empire kept in contact with the officials. Enormous pains were taken to follow the procedures outlined by the Arts Council.

For many reasons—not least its unique audience and its widely acknowledged architectural importance—Hackney Empire continues to believe, as I do, that it is of national significance. If the Empire had made a decision to redraw the scheme to fit into the sudden, arbitrary £15 million limit, it would have been unable to fund the scrapping of the original scheme and the complete rethink that would have been required. In that event, it would undoubtedly have missed the agreed deadline for submission.

Despite all that, the Hackney Empire continues to present approximately 240 events a year in the main theatre, and 380 on the Samuel Pepys site, which currently houses a studio theatre and a small cabaret stage. About 150,000 people use the Empire each year. With the lottery grant, the number of events would rise by between 10 and 15 per cent., with a corresponding increase in audience size.

If the Minister is tempted to plead that he cannot intervene because of the arm's length principle, I remind him that the Secretary of State's finger, thumb, palm and foot prints are to be found all over the ROH fiasco. The arm's length principle is a myth and has been so for more than a decade. I gave a lecture at City university a few weeks ago devoted entirely to that subject.

I beg the Minister to instruct the Arts Council to get together with the Hackney Empire board to discuss a renewed lottery application, and to ensure that the council does not foul up a second time.

I end unashamedly on a personal note. A few weeks ago, Audrey Sedgemore, my ex-wife, almost died at the Hackney Empire. It was a Sunday—an open day—and, with other volunteers, she was showing people around. Suddenly, she fell and fractured her skull, ending up in the intensive therapy unit of the Royal London hospital, helplessly wired up to any number of machines. I am not asking the Secretary of State or the chairman of the Arts Council to die for the Hackney Empire, but I am asking them to produce a rescue plan, for the sake of Audrey Sedgemore and all who love the Empire and for theatre, art and culture in our capital city.

10.14 pm

The Minister for Arts (Mr. Alan Howarth): I congratulate my hon. Friend the Member for Hackney, South and Shoreditch (Mr. Sedgemore) on securing tonight's Adjournment debate. He has expressed his views with characteristic trenchancy and, as he put it, unashamedly. I wish to address some of the particular issues he raises, but also to look beyond to the wider arts policy scene, which is one of great change and much promise.

My hon. Friend the Member for Hackney, South and Shoreditch has understandably raised issues on funding for theatres and made a comparison with funding for opera. There has, of course, been much coverage of the latter in recent months. There is much public interest and concern about both theatre and opera, which is as it should be. The Hackney Empire and the Royal Opera house are very different. I do not believe that one either does or should prosper at the expense of the other. The policy of this Government is access to excellence for all: culture as a shared experience, not a divisive one. I would remind my hon. Friend that, although £78 million of lottery money funds have been spent on opera and ballet, £145 million have gone to theatre.

I will speak only briefly about the Royal Opera house. It is essential to find a long-term solution to the problems of the Royal Opera house. The artistic merits of the Royal Opera and Royal Ballet are not in doubt: both are world-class companies. I would add that the Royal Opera house has a highly developed educational programme. My right hon. Friend the Secretary of State and I have made it clear that we are wholly committed to securing a proper long-term future for opera and ballet of the highest quality

[Mr. Alan Howarth]

in the redeveloped Royal Opera house. Covent Garden, after its reopening, will be one of the most advanced and exciting venues for lyric theatre anywhere, and will provide the stage for world-class opera and ballet. The redevelopment represents a significant investment from both the public and private purses, and we are committed to securing the future of the ROH.

Unfortunately, standards of financial planning and management at the Royal Opera house have not always in the past matched the high standards of the companies. The financial situation had deteriorated to such an extent that the ROH was on the verge of insolvency this year. My right hon. Friend the Secretary of State approved the appointment of Sir Colin Southgate as chairman of the ROH board with a clear mandate to remedy the financial situation, complete the redevelopment, and ensure the long-term artistic and financial success of the ROH. It was clear at that stage that to maintain the status quo was not an option. In September, Sir Colin announced a radical strategy to put the ROH's affairs on a proper footing. My right hon. Friend and I support this strategy.

I deplore, in the strongest possible terms, the aspersions cast by my hon. Friend the Member for Hackney, South and Shoreditch, taking advantage of parliamentary privilege, on Sir Colin, Lord Eatwell, and Mrs. Vivian Duffield, whose generosity to the Royal Opera house and museums and the arts throughout the country deserve admiration and gratitude. The new board and generous donors deserve our appreciation, not abuse.

Of course I understand the disappointment of my hon. Friend the Member for Hackney, South and Shoreditch about the decision by the Arts Council not to fund the proposed redevelopment of the grade 2* Hackney Empire in his constituency. He has rightly praised the theatre for the important role it plays not just in the local community but as a magnet to audiences from outside the borough. Although primarily a receiving house, providing a venue for touring productions, it has, as my hon. Friend noted, been reclaiming a reputation as an important theatre able to combine popular culture with Shakespeare and opera. I admire and welcome the contribution of the Hackney Empire in developing audiences of people for whom the theatre may not have formed part of normal cultural experience and for whom it has been difficult to find such an opportunity. To experience performances at the Empire has, I am sure, been a revelation and a delight for them.

It is not for me to go into details of the application itself. However, I know that the Arts Council took the decision to reject the application with reluctance. Mr. Hewitt has told my hon. Friend that the decision to reject the application was taken on a proper assessment against the published criteria. It should at least be noted that although the Hackney Empire bid failed, Hackney has benefited from lottery funds of £11 million since the lottery began.

The lottery, as the House will acknowledge, has done much to improve Britain's arts infrastructure. We have recognised, however, that it was not sensible to restrict the use of lottery funds to capital projects and to spend money on buildings while the artists that we want to perform in them lack funds. The new National Lottery Act 1998 will change that so that lottery distributors, including the Arts Council, will be able to use lottery funds more strategically. They will be able to fund people as well as buildings, and if particular parts of the country or sectors of the arts world seem not to be sharing in the lottery as much as we would expect, the distributors will be able to solicit applications so that lottery money can go where it is needed and where people up and down the country can benefit from the differences that it makes.

We are changing the lottery for the better. I am pleased to say that an extra £50 million will go to the arts over the next three years or so. That has become possible because the lottery is set to deliver higher levels of income than forecast, which is another testament to its success. We are changing the lottery for the better, and we are changing the relationship between Government and the arts. The new contract with the arts between Government and the bodies that receive public funding, which my right hon. Friend the Secretary of State announced in the summer, re-states the arm's-length principle, but makes clear what we expect in return.

In July my right hon. Friend the Chancellor announced spending plans for the next three years. I am delighted that my Department will receive an additional £290 million of which £124 million will go to the arts between 1999 and 2002. That is very good news after years of standstill funding. The arts, and our cultural life in general, have been a political afterthought for too long. The comprehensive spending review places them again at the heart of Government and reflects the central role that all my Department's sectors, including the arts, can play in delivering wider Government priorities. The arts are, of course, important in their own right, but they are also generators of employment and economic growth, a key educational resource and an important way of asserting and enhancing community identity. We want to create a healthy and stable arts sector and to make sure that the arts play their part in advancing our social and economic goals.

The additional funding announced will be linked clearly to outputs, so that the taxpayer can see what the funding is buying. It will allow progress on our principal objectives: the promotion of access for the many, not just the few; the pursuit of excellence and innovation; the nurturing of educational opportunity; and the fostering of the creative industries. Those are the Government's priorities, and the arts are well placed to help us deliver them.

My right hon. Friend the Secretary of State has also announced proposals for revising the structure and mechanisms through which Government support will be channelled in future. The principle of arm's-length funding will remain and Ministers will, rightly I believe, not seek to intervene in individual funding decisions. Equally, it is right that my department should give a clear policy lead in the context of the overall strategy.

In January, Mr. Gerry Robinson was appointed Chairman of the Arts Council with a clear mandate to bring about changes. Mr. Robinson has recently announced his strategy to restructure and redefine the Council's future role, and the Secretary of State and I fully support him in that. I want to put on record my appreciation of the way in which Mr. Peter Hewitt, the chief executive of the Arts Council, has set about addressing the responsibilities entrusted to him.

The Arts Council has already committed itself to delegation. The aim is to devolve as much as possible of what is currently dealt with by the Arts Council to the regional arts boards, including in particular grant-making and stewardship responsibility for regional clients. My hon. Friend the Member for Hackney, South and Shoreditch may welcome that development, which will enable the new national body to give a strategic lead across all its sectors and to set the framework within which regional bodies operate, taking into account their own local circumstances and priorities. This will of course mean in my hon. Friend's case that responsibility for the Hackney Empire will be devolved to the London Arts Board which already provides its grant-in-aid funding—currently £120,393.

We will be taking steps with the Arts Council to assure ourselves that the regional arts boards have the necessary capacity and systems in place to take on the additional responsibilities required of them.

This is a time of great change in the arts and a time of great opportunities, too. I have been struck by the willingness of the arts community to embrace that change and its determination to make a success of it. The Government share that determination and, in setting out their new approach to the arts, have made clear their belief that the arts have a central role to play in improving the quality of our lives. We look forward to working with, and through, the arts to achieve that.

Question put and agreed to.

Adjourned accordingly at twenty-five minutes past Ten o'clock.

Written Answers to Questions

Monday 26 October 1998

CHURCH COMMISSIONERS

Church Wardens

Mr. John M. Taylor: To ask the hon. Member for Middlesbrough, representing the Church Commissioners, what representations he has received on proposed changes to the role and status of church wardens in the Church of England. [55787]

Mr. Stuart Bell: The Churchwardens' Measure, which has been passed by General Synod, does not, strictly speaking, propose changes to the role or status of churchwardens. I have, however, received representations about the provisions contained in that Measure which would give the bishop power to suspend a churchwarden from exercising the rights and duties of his or her office without the bishop's consent for a limited period. The Measure will be considered by the Ecclesiastical Committee at its next meeting in December.

ATTORNEY-GENERAL

Nolle Prosequi

Mr. Baker: To ask the Attorney-General if he will make a statement on the use of nolle prosequi in the case of Judge Richard Gee. [56324]

The Attorney-General: My very firm rule in approaching cases involving persons in senior public positions is to do so with impartiality and objectivity so that the decision is fair in the sense that those concerned are treated no more favourably and no less favourably than any other citizen in the same position.

The charges against Judge Gee related to a mortgage fraud which operated between 1980 and 1988. In essence, the fraud involved false details being provided to lenders, of which the most important was the assertion that the applicant intended to reside in the property to be mortgaged. The effect was that the mortgage rate was lower than it would have been had the lenders known the true position—i.e. that the properties were to be rented. The alleged offences pre-dated the appointment of Richard Gee as a judge. His participation in the transactions was as a solicitor with a conveyancing practice. The prosecution was unable to prove any evidence of personal gain, although his firm would have received professional fees in relation to the conveyancing.

Judge Gee stood trial in the first half of 1998. Prior to that trial, his condition had begun to deteriorate so that the trial judge ordered postponement of the commencement of the trial by 3 months pending treatment to restore him to a position where he was fit to stand trial. The trial itself occupied several months and there then followed a jury deliberation of some 3 weeks—quite unprecedented, I believe, in this country for a case involving only one defendant. As senior prosecuting counsel said at the Central Criminal Court on 7 October 1998, all concerned in the case observed his deterioration in that period.

The initial decision of the prosecution, with which I concurred, was to seek a retrial. The Crown Prosecution Service was, however, asked by the defence to consider medical reports obtained, including one from Professor John Gunn, a distinguished forensic scientist, which concluded that Judge Gee was unfit to stand trial. The prosecution commissioned Dr. Joseph to examine the defendant and prepare a report. He too came to the conclusion that Judge Gee was unfit to stand trial and it was clear that he was not likely to be fit to stand trial in the foreseeable future. It was therefore clear when I met with the Director of Public Prosecutions and prosecuting counsel to discuss the case that, the evidence being all one way, there was effectively no prospect of persuading the trial judge that the case could proceed. We all agreed that the most appropriate course was for me to enter a *nolle prosequi* because it accorded most closely to the reality of the situation: there was a case which the prosecution would have wished to put forward had the accused been fit to stand trial.

Mr. Baker: To ask the Attorney-General if he will abolish the legal power of nolle prosequi. [56325]

The Attorney-General: No.

PRIME MINISTER

China

Mr. Collins: To ask the Prime Minister what discussions he held on the export of United Kingdom defence-related technology or goods during his recent visit to China. [56427]

The Prime Minister: I had no discussions on these issues during my visit to China. However, Premier Zhu Rongji and I reaffirmed our commitment to work towards a much stronger bilateral commercial relationship.

Mr. Collins: To ask the Prime Minister if he will make a statement on the application of his Government's ethical foreign policy to his recent visit to China. [56426]

The Prime Minister: I believe that dialogue with China on human rights, supported by practical co-operation, is more likely to bring about positive developments than confrontation. In my meetings with Chinese leaders, I welcomed some of the positive steps recently taken by China, such as the signature of the International Covenant on Civil and Political Rights. I also expressed our continuing concerns about human rights in China, referring to the cases of individuals and the situation in Tibet. I encouraged China to take further positive steps in all these areas.

Ministerial Visits

Mr. Collins: To ask the Prime Minister when he last travelled on a train operated by *(a)* Virgin Rail and *(b)* another United Kingdom train operator; and if he will make a statement. [56424]

The Prime Minister: I last travelled on a train operated by Virgin Rail on 30 July 1998. On 16 July 1998 I travelled on a rail service provided by another train operating company.

Mr. Collins: To ask the Prime Minister on how many occasions since 1 May 1997 he has paid a ministerial visit to *(a)* the constituency of Sedgefield and *(b)* capital cities of European Union countries other than the United Kingdom. [56423]

The Prime Minister: Two of my official engagements in the United Kingdom as Prime Minister involved visits to my constituency. I have of course been on other occasions in a constituency capacity. In the course of my programme of overseas engagements I have visited capital cities of EU countries other than the UK on twenty-four occasions.

INTERNATIONAL DEVELOPMENT

Grant Applications

Mr. Streeter: To ask the Secretary of State for International Development if she will calculate the average time taken for the completion of grant applications to her Department in 1997–98. [56537]

Clare Short: I understand that this question relates particularly to procedures for the Joint Funding Scheme and Economic and Social Committee on Overseas Research (ESCOR) grants, and have answered on this basis.

The average time taken to complete grant applications to the Joint Funding Scheme is 6 months. All applications to the Joint Funding Scheme must be received by 30 November each year, with decisions being taken when the appraisal of all the project proposals has been completed. Decisions are usually taken in May.

For ESCOR the period between receipt of grant application and a final decision will vary according to the size, type and timing of the application. The decision time normally varies between a few days and eight months. The average decision time for larger projects which go before the ESCOR committee is 5 months. The average time for smaller projects is 3 months.

Mr. Streeter: To ask the Secretary of State for International Development if she will make a statement on the procedure for grant applications to her Department. [56536]

Clare Short: I understand that this question relates particularly to procedures for the Joint Funding Scheme and Economic and Social Committee on Overseas Research (ESCOR) grants, and have answered on this basis.

The Joint Funding Scheme operates a single annual funding round. All applications must be received by 30 November each year. Each proposal is considered on its merits and receives careful appraisal; this will often involve lengthy dialogue with applicants. The decision on what projects to support will take place once the appraisal of all project proposals has been completed. Decisions are usually taken in May.

The usual procedure for ESCOR is to submit an outline of the proposed research project, which is reviewed internally. For projects under £40,000, a decision may be made fairly quickly based on the outline and internal review. For larger projects, if the outline is deemed promising, a full application is invited and submitted to either an internal Panel or the ESCOR Committee (for projects over £70,000). Larger projects are subject to refereeing by 2 independent reviewers. The Committee or the Panel, which meet every 4 months, will then take a decision on each application.

Information packs and guidelines on how to make an application under both schemes are available from my Department.

European Communities Humanitarian Office

Mr. Streeter: To ask the Secretary of State for International Development if she will make a statement on the total amount of UK support for the European Communities Humanitarian Office in 1997–98. [56534]

Clare Short: In 1997, the EC Humanitarian Office (ECHO) made available a total of 442 million ecu (£305 million) for humanitarian aid for 85 countries outside the European Union. This funding comes from the main EC budget, of which the UK's share is approximately 15 per cent. Some £46 million of the ECHO funding committed in 1997 is thus attributable to the United Kingdom. Outturn figures for 1998 are not yet available, but are expected to be similar to 1997.

World Trade Organisation

Mr. Streeter: To ask the Secretary of State for International Development if she will make a statement on the role of her Department in the *(a)* previous and *(b)* forthcoming rounds of World Trade Organisation talks. [56542]

Clare Short: *(a)* As the Overseas Development Administration, the Department played a minimal role in previous trade talks—the Uruguay Round—though it kept a watching brief on implications for developing countries.

(b) As we made clear in the White Paper, this Government support an open, fair and sustainable multilateral trading system for the benefit of all countries. The second WTO Ministerial meeting in May 1998 established a preparatory process for a prospective trade round. My officials are actively working within Whitehall and Brussels to ensure that prospective talks take due account of development concerns. At the same time, we are working with multilateral agencies to enhance the capacity of developing countries to articulate and negotiate their own trade interests.

European Union

Mr. Streeter: To ask the Secretary of State for International Development what percentage of her Department's budget will be paid to the European Union in the current financial year. [56221]

Clare Short: Approximately 30 per cent. of the Department for International Development budget will be paid to the European Union in the current financial year. In 1996–97, the latest year for which an exact figure is available, the percentage was 28.64 per cent. As the hon. Gentleman will be aware these commitments arise largely from the agreement reached by his right hon. Friend the Member for Huntingdon (Mr. Major) at the Edinburgh Summit in 1992.

Non-governmental Organisations

Mr. Streeter: To ask the Secretary of State for International Development what percentage of her Department's budget will be paid to NGOs based *(a)* in the UK and *(b)* overseas in the current financial year. [56223]

Clare Short: Information on Department for International Development (DFID) expenditure through UK NGOs in the current financial year is not yet available. Information on such expenditure in 1997–98 is currently being collated and will be available later this year.

The total expenditure through UK NGOs for 1996–97 was £166.757 million; 7.7 per cent. of the total DFID aid budget.

Information on spending through overseas NGOs is not held separately, but is included in DFID's bilateral country programme expenditure. Full details appear in "British Aid Statistics", a copy of which is in the Library of the House.

Departmental Employees

Mr. Streeter: To ask the Secretary of State for International Development how many people were employed directly by her Department on *(a)* 1 September 1997, *(b)* 1 March 1998 and *(c)* 1 September 1998. [56222]

Clare Short: The Department for International Development employed directly the following numbers of staff:

September 1997: 989

March 1998: 1,054

June 1998: 1,060[1]

[1] Latest available figures. Statistics are compiled quarterly, those for September 1998 are still being established

These figures do not include staff employed on contract terms both in the UK and overseas.

Sudan

Mr. Streeter: To ask the Secretary of State for International Development what assessment her Department has made of the impact of the work of *(a)* non-Government organisations and *(b)* Operation Lifeline Sudan following the bombing of Khartoum in August 1998. [56540]

Clare Short: Our judgment is that the bombing of Khartoum in August 1998 had no long term effect on either non-government organisations (NGOs) or Operation Lifeline Sudan (OLS). UK based Embassy staff were temporarily withdrawn from Khartoum on 27 August but some senior staff have relocated to Nairobi in order to continue monitoring the performance of OLS and NGOs in the field.

In addition, officials from my Department visited Sudan and Kenya from 13–27 September. They were able to visit the worst affected areas in Sudan, including those controlled by the Government and the rebel movements and monitored NGO activities there. They also participated in an EU mission to the region which reviewed the adequacy of the relief response to date including the performance of the OLS consortium. The mission found that from mid-July onwards the humanitarian response began to match the scale of the crisis in southern Sudan. This has contributed to the improvement in the condition of some of the worst affected groups there.

WALES

Deeside Industrial Park (Rail Station)

Mr. Barry Jones: To ask the Secretary of State for Wales what discussions he has had with *(a)* Railtrack and *(b)* local authorities concerning the construction of a rail station on Deeside Industrial Park; and if he will make a statement. [56494]

Mr. Hain: I have not had any discussions with Railtrack about the construction of a new railway station on Deeside Industrial Park. However, as part of the 1998–99 Transport Grant settlement, £480,000 was allocated to Flintshire County Council in support of the Deeside Integrated Transport Strategy. Part of this award is for the Council to develop plans for a railway station to serve the Deeside Industrial Park. I am currently considering a bid from the Council for further funding of the Strategy in 1999–2000.

River Wye Navigation Rights

Mr. Keetch: To ask the Secretary of State for Wales when he expects the results of the inquiry into the River Wye navigation rights to be announced; and if he will make a statement. [56440]

Mr. Jon Owen Jones: An announcement will be made as soon as possible. The issues involved in the case are complex and require detailed consideration.

Community Council Elections

Ms Lawrence: To ask the Secretary of State for Wales if he will make a statement about the date of the ordinary elections to community councils in Wales in 1999. [56675]

Mr. Ron Davies: I propose to make an order under section 3(4) of the Government of Wales Act 1998 to move the date of ordinary elections of community councillors in Wales from 6 May to 10 June 1999. The community council elections will be held on the same date

as the European Parliamentary elections, with which they will be combined. The order will also make provision for moving the date of the annual meeting of councils.

CULTURE, MEDIA AND SPORT

Olympic Games

Mr. Nigel Jones: To ask the Secretary of State for Culture, Media and Sport what support he has given to efforts to attract a future Olympic Games to the United Kingdom. [56030]

Mr. Banks: The British Olympic Association, who have ultimate responsibility for UK bids for the Olympic Games, have decided that the next UK bid should be London-based. Like the BOA, the Government are determined that any bid should be of the highest possible quality. My Department is already working closely with the BOA who are conducting comprehensive studies on what is already in place and what needs to be in place to mount a winnable bid at the earliest possible opportunity.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Driving Test Centres

Mrs. Curtis-Thomas: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to close driving test centres during the next two years; and if he will list the centres concerned. [55528]

Ms Glenda Jackson: The Driving Standards Agency continuously reviews its test centres in the light of operational viability, the local demand for driving tests and the costs of using a particular centre. Before a closure, a case is considered on its merits, and wherever possible there is consultation with interested parties. The provision of car driving, and, where appropriate, motorcycle tests in the following locations is currently being reviewed:

Minehead; Edinburgh (Newington); Coventry (Holyhead Road); Didsbury (South Manchester); Rochdale; Birmingham (Washwood Heath): Oswestry; Wealdstone; Crosby; Keighley and Skipton; Sevenoaks and Tunbridge Wells; and Stafford.

Mrs. Curtis-Thomas: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the driving test centres which made a loss in the last year for which figures are available together with the amount of loss made. [55529]

Ms Glenda Jackson: This information is not available as driving test centres are not operated as separate profit centres.

Pollution

Mr. Llew Smith: To ask the Secretary of State for the Environment, Transport and the Regions if he will assess the recommendations of the report published on 1 September by the Independent World Commission on the Oceans, relating to environmental protection and pollution prevention. [55443]

Mr. Meale: The recommendations of the Independent World Commission on the Oceans report published on 1 September 1998 are still being considered by my Department.

Bus Company Pensions

Mr. Bob Russell: To ask the Secretary of State for the Environment, Transport and the Regions when the Government will refund to the Bus Pension Fund of the former National Bus Company the pension surplus withheld at the time of privatisation; if payment of funds will be made so that bus company pensioners can be paid without further delay; and if compensation will be paid to the families of those bus company pensioners who have died since privatisation. [55796]

Ms Glenda Jackson: Discussions with the NBC pension trustees have already begun with the aim of reaching as quickly as possible, a just, out-of-court settlement of the trustees' claim for return of the surplus. If a settlement is achieved, which the Government very much hope will be the case, it will be for the trustees to decide how the moneys paid pursuant to that settlement should be distributed among all eligible beneficiaries.

Standard Spending Assessments

Mr. Sanders: To ask the Secretary of State for the Environment, Transport and the Regions if he will list those measures which reflect the additional costs from seasonal influxes of population contained within local authority grant settlements; and if he will make a statement. [55714]

Ms Armstrong: Estimates of day visitors and overnight visitors are used in the calculation of standard spending assessments.

Lisbon Charter

Mr. Sanders: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the Lisbon Charter on the development and implementation of economic instruments for the protection of the marine and coastal environment by local governments dated July 1998; and if he will make a statement. [55713]

Mr. Meale: The Lisbon 'Charter' on the development and implementation of economic instruments for the protection of the marine and coastal environment by local governments was adopted by a group of representatives of local and regional authorities from various European states during a conference organised by a non-governmental organisation in Lisbon on 1 July 1998. It contains some interesting ideas. It is for those who adopted the document to take it forward.

Rents

Mr. Sanders: To ask the Secretary of State for the Environment, Transport and the Regions if he will list market and reference rents by district from 1996. [55718]

Mr. Raynsford: The available information is published in table 1.0 of the Department's quarterly publication *Rent Officer Statistics*. Copies are held in the Library.

Council Tax

Mr. Sanders: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on his proposals for the council tax discounts on second homes in England. [55720]

Mr. Raynsford: The Government do not have any proposals to change the council tax discount for second homes in England during the course of this Parliament.

Diabetic Drivers

Mr. Sanders: To ask the Secretary of State for the Environment, Transport and the Regions what recent representations he has received about driving licence restrictions on insulin-dependent diabetics; and if he will make a statement. [55715]

Ms Glenda Jackson: In the light of representations by individuals and their representatives, and further advice by the Department's expert Panel, the previous restriction was relaxed to allow certain drivers with insulin treated diabetes to regain or renew their entitlement to drive 3.5—7.5 tonne lorries for employment, subject to stringent conditions. This took effect on 11 September. The Department continues to receive representations from individuals and others who would like further relaxations. At present the Department's expert advice precludes this. The situation will continue to be kept under review.

Environmental Integration

Mr. Matthew Taylor: To ask the Secretary of State for the Environment, Transport and the Regions what steps he is taking to implement the Cardiff Summit Ministerial Declaration on environmental integration; what indicators he is developing for measuring progress; and if he will raise these matters during the forthcoming Energy and Transport Council of Ministers meetings. [55779]

Mr. Meale: During our recent Presidency of the EU the Government established a co-ordinating group of representatives from the European Commission and the three succeeding Presidencies—Austria, Germany and Finland—to help guide the process of environmental integration in EU policy-making up to 2000. This initiative has now been passed to the Austrian Presidency. UK officials continue to take an active role in this forum which is taking forward the development strategies within the various sectoral Councils. This will ensure that environmental integration and sustainable development are taken fully into account within those respective policy areas. The use of indicators is being considered as part of this process.

To meet the terms of the agreement at the Cardiff European Council we are working with the Austrian Presidency in the preparation of the report which the Transport Council will consider at the end of November. My Department is similarly working with the Department of Trade and Industry in support of a Presidency report on environment/energy policy for discussion at the Energy Council on 13 November. My right hon. Friend the Minister of Agriculture, Fisheries and Food is also taking a positive role in the report being prepared on agriculture/environment for the Agriculture Council. All reports will be submitted to the European Council in Vienna.

In the UK we are developing a national sustainable development strategy which we expect to publish early in 1999. This will be accompanied by a set of indicators covering, inter alia, transport, energy and agriculture. We are also contributing to the development of a transport and environment report mechanism which will establish a set of indicators at the European level.

Polegate Bypass

Mr. Waterson: To ask the Secretary of State for the Environment, Transport and the Regions what is the total compensation paid, or agreed to be paid, to date to contractors in respect of the Polegate Bypass scheme. [55828]

Ms Glenda Jackson: The overall levels of compensation are still being discussed with the companies who submitted tenders for the cancelled Weald and Downland DBFO Project, which included the Polegate Bypass. Interim on-account payments totalling £2.5m have been made.

Millennium Compliance

Mr. Cotter: To ask the Secretary of State for the Environment, Transport and the Regions what steps he is taking to ensure that local authorities promote awareness of the millennium bug in their local communities. [55794]

Ms Armstrong: My right hon. Friend the Deputy Prime Minister and Sir Jeremy Beecham, Chair of the Local Government Association, wrote jointly on 30 March to all council leaders to invite them to make a personal commitment to address millennium bug issues, both within their own councils and more widely across their local communities. They wrote again on 20 October inviting council leaders to sign Pledge 2000 as a public demonstration of their council's commitment to tackle the threat posed by the millennium bug.

Greater London Assembly

Mr. Fitzpatrick: To ask the Secretary of State for the Environment, Transport and the Regions if the location chosen to house the Mayor and Greater London Assembly will be ready on time for the elections expected in May 2000. [56049]

Mr. Raynsford: We expect to make a final decision on the location of the Greater London Authority early in the New Year and only then will it be clear when it will be completed. We are making arrangements to provide temporary accommodation, should it be required.

A49 (Accidents)

Mr. Keetch: To ask the Secretary of State for the Environment, Transport and the Regions how many deaths were recorded arising from road traffic accidents on the A49 between Hereford and Ross on Wye in each of the last five years. [56033]

Ms Glenda Jackson: The information requested is shown in the table.

Deaths in RTAs on the A49 between Hereford and Ross on Wye: 1993–1997

	Casualties
Year	*Fatalities*
1993	3
1994	0
1995	3
1996	3
1997	0

Planning Policy

Mr. Lepper: To ask the Secretary of State for the Environment, Transport and the Regions what proposals he has to review and revise PPG 6 and PPG 13; and what is the timescale for such proposals. [56262]

Mr. Raynsford: I expect to publish a consultation draft of PPG 13 on transport early next year. I have no immediate plans to revise PPG 6 on town centre and retail developments.

Building Regulations

Mr. Oaten: To ask the Secretary of State for the Environment, Transport and the Regions (1) what is his planned timetable for the regulations which will extend Part M of the building regulations to new dwellings; [55861]

(2) when his Department will announce the transitional provisions to cover the period before and following the extension of Part M of the building regulations to new dwellings. [55862]

Mr. Raynsford *[holding answer 22 October 1998]:* I have today laid before Parliament—and published—Amendment Regulations that will extend Part M of the Building Regulations, covering access and facilities for disabled people, to include new dwellings. These regulations include transitional provisions. The effect of the regulations is that, from 25 October 1999, new homes will have to be built with features that make them better suited to the needs of disabled people. People will be able to invite disabled people to visit them in their own homes; and home owners will be able to remain in their own homes longer as they become less mobile as they get older.

The benefits of these changes will be very considerable—potentially more than 10 million people will benefit. In particular there will be direct benefits of increased convenience, accessibility and sociability for disabled people. The measures will also help significantly those people who are temporarily disabled through accident or injury and those with young children in prams and pushchairs.

The extension of Part M complements this Government's commitment to implement the remaining duties of Part III of the Disability Discrimination Act 1995. Part III will improve disabled people's access to goods and services and Part M will ensure better access to new dwellings. It is better and more cost effective for new homes to be designed and built with proper facilities—as already happens with new public and commercial buildings—than to rely on later piecemeal adjustments.

Private Hire Vehicles

Dr. Tonge: To ask the Secretary of State for the Environment, Transport and the Regions when he expects the regulations under the Private Hire Vehicles (London) Act 1998 to be in place. [56261]

Ms Glenda Jackson: We intend to make regulations to enable private hire vehicle operator licensing to commence in London during the course of next year. Vehicle and driver licensing would follow as soon as practicable—it is hoped during the year 2000. Swift implementation of the Act is desirable; it is also important that we get the details right and allow sufficient time for consultation.

Training and Enterprise Councils

Mr. Cotter: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the impact of the Single Regeneration Budget on the business support expenditure of the TECs in each of the last three years. [56058]

Mr. Meale: There is no relationship between the public expenditure provision for the Single Regeneration Budget (SRB) in the last three years and that for Training and Enterprise Councils (TECs).

Genetically Modified Organisms

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions how many HSE inspectors inspect facilities registered under the regulations covering the contained use of genetically modified organisms. [56327]

Mr. Meacher: Three HSE Specialist Inspectors inspect contained use facilities throughout the UK. These Inspectors are experts in work involving genetic modification, and specifically cover biological safety and environmental issues. Other HSE Inspectors have responsibility for health and safety issues not related to work involving genetic modification.

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what is the total number of facilities registered as using genetically modified organisms in classes IA, IB, IIB including those registered *(a)* before and *(b)* after the introduction of the contained use regulations in 1992. [56329]

Mr. Meacher: I regret that I am unable to supply the information in the form requested. Prior to the introduction of the contained use regulations work was not broken down into group I/II or type A/B. A meaningful comparison would require extensive work in searching old files at disproportionate cost.

However, I can supply information on the number of facilities notified for Group I and II work. The number of premises currently notified, including those notified prior to the current Contained Use Regulations, is 275 for Group I work and 196 for Group II work. Furthermore, 34 of these premises have notified, at some time, their intention of performing large scale work.

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions if the HSE undertakes regular monitoring of the adequacy of containment in each class of genetically modified organisms; and if the findings are publicly available. [56331]

Mr. Meacher: HSE inspects premises undertaking activities with all types of genetically modified organisms. The monitoring of the adequacy of containment is an integral part of each HSE inspection. Effective containment relies on a combination of both physical and procedural measures, and the inspection process seeks to ensure that the control measures implemented are appropriate to the level of risk.

Information relating to environmental safety is available on request under the terms of the Environmental Information Regulations 1992.

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions how many person hours per year HSE inspectors spend on *(a)* inspection of facilities registered under the regulations covering the contained use of genetically modified organisms and *(b)* other duties. [56328]

Mr. Meacher: In the current inspection year:

(a) A total of 1,665 person hours (225 days) are planned for active inspection of facilities registered under regulations covering contained use of genetically modified organisms.
and;

(b) A total of 2,686 person hours (363 days) will be spent on other duties related to the safe use of genetically modified organisms, including preparation of technical guidance and scrutiny of notifications.

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions when he intends to establish the environmental stakeholders forum; what will be the membership; what the terms of reference will be; whether the agendas and minutes will be published; and if he will make a statement. [56655]

Mr. Meacher: At the House of Lords Select Committee on 21 October I announced my intention to consider the calls from both sides of the GMO debate for an environmental stakeholder's forum to discuss and advise on environmental issues raised by biotechnology which would work in parallel with the Advisory Committee on Releases to the Environment. The timing, membership and the terms of reference have not yet been decided, and I will be discussing these with my colleagues in other Government Departments, before consulting all interested parties on our proposals.

I envisage that this forum's membership would include representatives of conservation bodies, public interest groups, plant breeders and farmers. The terms of reference of the forum need to be clarified, but I envisage that the point of the stakeholder's forum would be to tackle the wider environmental issues by allowing those key stakeholders with an interest in GMOs to conduct a well informed debate. It is very important that there is wide public access to agendas, minutes and reports.

Rail Authority

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions when he proposes to create a strategic rail authority. [56323]

Ms Glenda Jackson: My right hon. Friend the Deputy Prime Minister announced on 30 September that a shadow Strategic Rail Authority (SRA) would lead changes to the way the privatised railway is controlled, in advance of legislation to establish the body on a statutory basis. The shadow SRA, formed by close working between the British Railways Board and the Franchising Director, will be operational by Spring 1999.

A new Chairman of the British Railways Board and a new Franchising Director will be appointed as soon as possible. Subject to legislation, the new BR Chairman and board will become the chairman and board members of the SRA. Following legislation, the new Franchising Director will become Chief Executive of the SRA.

We are committed to establishing a statutory SRA at an early opportunity.

China

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer to the hon. Member for Leicester, East (Mr. Vaz) of 19 October 1998, *Official Report*, column *906*, if he raised the issue of the environmental impact of the Chinese Government's activities in Tibet during his recent visit to China. [56351]

Mr. Prescott: No.

Railways (Rural Lines)

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what steps he intends to take to increase the minimum train frequencies for rural lines where he deems that franchise agreements specify these at too low a level. [56322]

Ms Glenda Jackson: Changes to service levels are a matter for the Franchising Director. The Deputy Prime Minister has said that he and the Franchising Director are ready to renegotiate franchises to secure a progressive improvement in services, extra investment, and integration with other transport modes. In addition, we have made available new funds under the rail Passenger Partnership scheme which the Franchising Director can use to support new services. Revised criteria for appraising proposals for supporting new services will be published shortly.

Signposting (London)

Mr. Collins: To ask the Secretary of State for the Environment, Transport and the Regions if the Mayor of London will be given *(a)* a specific responsibility and *(b)* a specific budget for the signposting of London's roads and streets. [56425]

Ms Glenda Jackson: We shall be defining a network of the most important roads in London for which the Greater London Authority will be the traffic authority. The Authority will therefore have power to place traffic signs in relation to those roads. The Government will not set the Mayor a specific budget for traffic signs. Spending on traffic signs in relation to the Authority's roads will be met from the transport budget set by the Mayor.

Planning Consent (Cumbria)

Mr. Collins: To ask the Secretary of State for the Environment, Transport and the Regions if he proposes to call in the planning consent granted by South Lakeland District Council to Booth's Ltd. to build a supermarket at Kirkby Lonsdale, Cumbria. [56468]

Mr. Raynsford: I am considering the application and will make my decision as soon as possible.

EC Bus Directive

Mr. Jenkin: To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received concerning the EC bus directive from bus operating companies; and if he will make a statement. [56301]

Ms Glenda Jackson: The Coach and Passenger Transport Executive Group, which represents bus and coach operators in the UK, has made many representations, and continues to be consulted on the EC Commission proposal for a bus and coach Directive. The proposal is for an optional Directive concerning the Type Approval of new vehicles. The Government's aims, which are based as well on consultation with manufacturing industry, are concerned with maintaining the viability and safety of bus and coach operation. This policy must also reflect the UK's commitment to accessibility, as required under the Disability Discrimination Act 1995, which will also have a significant influence on future bus design.

Soap and Detergent Industry

Mr. Jenkin: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the Soap and Detergent Industry Association's new Code of Good Environmental Practice; and if it will receive Government support. [56299]

Mr. Meale: This is a welcome initiative, which fits well with the Government's aim to reduce the environmental impacts of consumer products through practical measures which assist "market transformation" and could form a valuable component of a sectoral sustainability strategy. We have already had discussions with the Soap and Detergent Industry Association about how we can work together to support this initiative through links to our wider public awareness campaigns and to our strategic analysis of environmental impacts. In particular, we are looking with the Soap and Detergent Industry Association at possible links between my Department's "Are You Doing Your Bit?" promotional campaign and the industry's "Wash Right" campaign.

Double-decker Buses

Mr. Jenkin: To ask the Secretary of State for the Environment, Transport and the Regions what is the policy of Her Majesty's Government towards proposals in the EC Commission to make the manufacture of double-decker buses uneconomic or illegal. [56300]

Ms Glenda Jackson: I do not know of any such proposals. However, the Commission has proposed a directive on bus and coach construction which is now the subject of detailed discussion by the Member States. My Department has consulted widely with organisations such as the Coach and Passenger Transport Executive Group, which represents bus and coach operators in the UK, and the Society of Motor Manufacturers and Traders, which represents the major UK manufacturing interests. The representations from these organisations are being taken into consideration in the current negotiations.

Roads White Paper

Mr. Jenkin: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the start date for each of the road schemes given approval in the Roads White Paper. [56303]

Ms Glenda Jackson: We are currently considering the construction programme for the schemes included in our Targeted Programme of Improvements listed in "A New Deal for Trunk Roads". However, subject only to any outstanding statutory procedures, all schemes will start within the next seven years.

Hereford Bypass

Mr. Keetch: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has over the next four years to include the cancelled Hereford By-pass in the roads programme; and if he will make a statement. [56451]

Ms Glenda Jackson: None. Under the new arrangements for transport planning set out in "A New Deal for Transport: Better for Everyone" the measures that may be appropriate for Hereford are for consideration in the development of the Local Transport Plan and the draft Regional Transport Strategy.

Planning Procedures

Mr. Loughton: To ask the Secretary of State for the Environment, Transport and the Regions what is the average time for processing called-in planning inspector appeals between receipt of the inspector's findings and publication by the Minister's Department. [56638]

Mr. Raynsford: In the last full year for which information is available, 1 April 1997 to 31 March 1998, the average time in England to issue decisions on called-in planning applications and recovered planning appeals from receipt of the Inspector's report was 18½ weeks.

Northbrook College, Worthing

Mr. Loughton: To ask the Secretary of State for the Environment, Transport and the Regions what is the current status of the findings of the Inspector's inquiry into a planning application for the development of the Northbrook College site in Broadwater, Worthing, where the appeal was heard in January. [56637]

Mr. Raynsford: The Inspector's report is still being considered. We expect to issue a decision shortly.

Sellafield

Mr. Oaten: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to order a full public inquiry in relation to the application for a MOX plant at Sellafield. [56286]

Mr. Meale: We expect to receive the Agency's draft determination very shortly. Requests have been received for the Secretary of State to call in the application for

his own determination. These requests are under careful consideration and the Secretary of State will reach a decision as soon as he is able to do so.

Freight

Mr. Gordon Prentice: To ask the Secretary of State for the Environment, Transport and the Regions what estimate he has made of the potential change in level of take up of freight facilities grant if the contract period were reduced to a period of *(a)* five and *(b)* three years. [56631]

Ms Glenda Jackson: 19 out of the 27 Freight Facilities Grants awarded in 1997 and 1998 have been for a period of five years or less. The number of applications has greatly increased and the £30 million budget for 1997–98 was substantially taken up. The budget for 1998–99 is £40 million, reflecting the recent success of the scheme.

Driving Tests

Mr. Sanders: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the income from car driving tests for each of the last five years for which figures are available. [56411]

Ms Glenda Jackson: The fee income from car driving tests for the years 1993–94 through to 1997–98 was as follows:

£

Year	*Fee income*
1993–94	38,980,000
1994–95	42,529,000
1995–96	44,997,000
1996–97	46,744,000
1997–98	37,858,000

DEFENCE

Turkey (Arms Sales)

Mr. Cox: To ask the Secretary of State for Defence if he will list the military equipment and its estimated value, whose sale to Turkey in the last five years has been assisted by his Department. [55617]

Mr. Spellar: The assistance provided by the Ministry of Defence to British industry is given within the context of the Government's defence export policies. The criteria for export controls were announced to Parliament by the Secretary of State for Foreign and Commonwealth Affairs on 28 July 1997, *Official Report*, columns *26–29*. Much of the assistance is general in nature and we do not maintain detailed records of cases where MOD assistance has resulted in defence exports to individual countries and it would involve disproportionate cost to assemble information for Turkey. According to data provided by HM Customs and Excise, however, the total value of UK exports to Turkey recorded under HM Customs and Excise Tariff Codes relating to military equipment has averaged some £14 million annually over the past five years.

Royal Navy Experimental Radiation Treatment

Mr. Hoyle: To ask the Secretary of State for Defence if he will make a statement on Royal Navy experimental radiation treatment for civilian divers. [55368]

Mr. Doug Henderson: The Royal Navy has never carried out experimental radiation treatment on civilian divers. Imaging techniques, involving low doses of short lived radio-active isotopes have been used as part of clinical investigations to determine whether any brain damage had occurred as a result of various diseases including decompression illness. Similar techniques have been in common use for many years in the nuclear medicine departments of NHS hospitals throughout the country.

Defence Nuclear Biological and Chemical Centre

Mr. Key: To ask the Secretary of State for Defence when he received the land quality assessment in respect of fields next to the Defence Nuclear Chemical and Biological Centre at Winterbourne Gunner; and if he will make a statement. [54919]

Mr. Spellar *[holding answer 19 October 1998]:* The first phase of the Land Quality Assessment for fields close to the Defence Nuclear Biological and Chemical Centre at Winterbourne Gunner was completed in September 1998. Draft conclusions have been made available to my Department and the final report on the first phase is expected soon. I have written to the hon. Member about the clearance operation at Winterbourne Gunner.

Territorial Army

Mr. Oaten: To ask the Secretary of State for Defence what plans he has to close the TA unit in Winchester. [56507]

Mr. Doug Henderson: Decisions on the restructuring of the Territorial Army, and on the future of individual TA units and centres, have not yet been taken. I will write to the hon. Member when they are.

Nuclear Materials

Mr. Llew Smith: To ask the Secretary of State for Defence, pursuant to his answer to the hon. Member for Islington, North (Mr. Corbyn) of 31 July 1998, *Official Report*, column *725*, what are the proposed future defence purposes to which the nuclear material recovered from WE177 warheads will be put. [55442]

Mr. George Robertson: Plutonium and Highly Enriched Uranium recovered from dismantled weapons will be held against requirements arising from our nuclear warhead and propulsion programmes.

Mr. Llew Smith: To ask the Secretary of State for Defence what factors underlay his decision to withhold details of the costs of the fuelling of Trident submarine reactors and of the costs of importing highly enriched uranium for the fabrication of nuclear fuel rods for the submarine propulsion reactors. [55415]

Mr. George Robertson: The information requested on the costs of the fuelling of Trident submarine reactors could, when combined with other data already in the public domain, provide nuclear proliferators and potential opponents with an insight into the design and performance

of the United Kingdom's nuclear powered submarines. This would harm UK national security and defence and, therefore, is being withheld under Exemption 1 of the Code of Practice on Access to Government Information relating to defence, security and international relations. However, reflecting the new openness on nuclear matters that I announced in the Strategic Defence Review, I am prepared to confirm that the most recent procurement of highly enriched uranium for Defence purposes was made at a rate of $40m per tonne.

Sudan (Pharmaceutical Plant)

Mr. Llew Smith: To ask the Secretary of State for Defence what information was provided to Her Majesty's Government by the United States Administration concerning evidence of the production of chemicals useable in the manufacture of chemical weapons at the pharmaceutical plant in Sudan, bombed by the United States forces; and what steps he has taken to verify the information provided. [55420]

Mr. George Robertson: I am withholding any such information under exemption 1 of the Code of Practice on Access to Government Information.

Mr. Dalyell: To ask the Secretary of State for Defence if he will send officials from the chemical and biological weapons establishment at Porton Down to inspect the site of the Sudanese pharmaceutical factory. [55438]

Mr. George Robertson: No. We continue to encourage Sudan to accede to the Chemical Weapons Convention, which would entail an inspection programme for all relevant sites.

Courts Martial

Mr. Hancock: To ask the Secretary of State for Defence how many *(a)* Royal Air Force officers and *(b)* other ranks have been (i) dismissed from the service and (ii) court-martialled in each of the last five years. [55808]

Mr. Doug Henderson: Dismissal from the RAF can be awarded only by courts martial. The table shows the number of RAF personnel convicted by courts martial and the number sentenced to be dismissed over the last 5 years.

	Convictions by Courts Martial[1]		*Dismissed*	
Year	*Officers*	*Other ranks*	*Officers*	*Other ranks*
1993	3	102	2	42
1994	2	71	1	28
1995	3	83	1	32
1996	4	60	2	19
1997	4	24	1	10
1998[2]	2	41	0	12

[1] The figures do not include cases where a sentence of dismissal awarded by the Court was subsequently mitigated or quashed
[2] Up to 20 October 1998

Radiation Exposure (Submarines)

Mr. Hancock: To ask the Secretary of State for Defence how many claims his Department has received from former civilian personnel arising from exposure to radiation while engaging with Royal Navy submarines. [55813]

Mr. Spellar: Information on claims for compensation received by my Department from former civilian employees alleging exposure to radiation while working on Royal Navy submarines has only been held centrally since 23 October 1986. Records show that, as at 21 October 1998, ninety-three claims for compensation had been received from former Ministry of Defence civilian employees.

RAF Pilots

Mr. Hancock: To ask the Secretary of State for Defence how many RAF personnel are currently undergoing training to become pilots. [55817]

Mr. Doug Henderson: As at 1 October, a total of 434 RAF personnel were undergoing training to become pilots. In addition, there are a further 421 student pilots who are undertaking elementary flying training, as members of the University Air Squadrons, but these individuals are not on the payroll strength of the RAF.

Nuclear Costs

Mr. Alan Simpson: To ask the Secretary of State for Defence, pursuant to his answer of 30 July 1998, *Official Report*, column *453*, how much, in net real terms, the UK will pay the USA for nuclear spares and services which it will not need or cannot use. [55799]

Mr. George Robertson: The net amount the UK will pay the US for nuclear spares and services we do not now require will depend on the quantity of Trident missile components that the US buy back in future years. As I said in July, we expect it to amount to some £40 million. Over half of this results from commitments made before this Government took office. The decision is, however, expected to save in the region of £50 million.

A copy of the Memorandum of Understanding covering the arrangement with the US for the buy back of missile components has been placed in the Library of the House.

Army Personnel (Medical Retirement)

Mr. Hancock: To ask the Secretary of State for Defence how many Army personnel have left the service on health grounds in each of the last five years. [56062]

Mr. Doug Henderson: As at 21 October 1998, the following number of Army personnel (including Gurkhas) have been medically discharged since 1993:

Year	*Medical discharges*
1993	836
1994	958
1995	1,103
1996	1,186
1997	1,046
1998 (as at 21 October 1998)	624

Note:
The figures do not include Army personnel who have died in service, or personnel leaving as a result of pregnancy.

Chemical Stockpiles

Mr. Baker: To ask the Secretary of State for Defence what stockpiles are held of the chemical Dibenz-1,4-Oxazepine; on which sites; and for what purpose. [56354]

Mr. Doug Henderson: Dibenz-1,4-oxazepine, better known as CR, is a sensory irritant which causes temporary incapacitation. The MOD currently has approximately 260kg of CR. Some stocks are held by those units responsible for maintaining an effective counter terrorist response capability and the rest is at DERA, Porton Down for research purposes.

British Aerospace (Merger)

Mr. Collins: To ask the Secretary of State for Defence what assessment he has made of the strategic and procurement implications of a merger between British Aerospace and DASA; and if he will make a statement. [56421]

Mr. George Robertson: The Government have encouraged defence and aerospace companies to restructure but have always made it clear that it is for Industry to decide how to do so. Should British Aerospace and DASA propose a merger at some stage in the future it would then be subject to the normal regulatory process, to which the MOD would be asked to contribute advice in confidence.

TRADE AND INDUSTRY

Outer Space Act Fees

Mr. Chope: To ask the Secretary of State for Trade and Industry for what reasons the Government have increased to £6,500 the prescribed fee payable on an application for a licence under its Outer Space Act 1986. [55971]

Mr. Battle *[holding answer 22 October 1998]:* The Outer Space Act fee was originally set at £1,000 per licence application in 1989 and has remained at that level until now. The complexity and frequency of licence applications have increased since 1989 and the fee has been increased to reflect the cost to the Government of processing each application. Companies which are regularly involved in activities regulated by the Act were consulted and I am confident that their competitive position will not be affected by this increase. The fees do not apply to educational institutions carrying out activities for teaching or research purposes.

Post Office

Mr. Harvey: To ask the Secretary of State for Trade and Industry what assessment he has made of the impact on *(a)* the viability of sub-post offices and *(b)* village economies of state pensions being paid directly into bank or building society accounts; and if he will make a statement. [55745]

Mr. Ian McCartney: The Department has made no such assessment but I can confirm that the Government remain committed to the maintenance of a nation-wide network of post offices and to a secure, convenient and cost-effective method of payment for all benefit recipients.

Mr. John M. Taylor: To ask the Secretary of State for Trade and Industry what proposals he has to improve *(a)* Post Office and *(b)* Royal Mail (i) efficiency and (ii) levels of service. [55820]

Mr. Ian McCartney: Any changes from the existing arrangements for improving the efficiency and quality of postal services will be announced in the context of the Government's decisions on the review of the Post Office.

Mr. John M. Taylor: To ask the Secretary of State for Trade and Industry if he will make a statement on the proportion of gross revenue *(a)* from the Post Office and *(b)* from the Royal Mail which goes directly to the Exchequer. [55822]

Mr. Ian McCartney: The External Finance Limit (EFL) target for 1997–98, achieved by the Post Office, was £313 million and represented 72 per cent. of post tax profits. The EFL relates to the Post Office as a whole and is not apportioned among its constituent businesses. In addition, the Post Office pays corporation tax on its profits.

Mr. John M. Taylor: To ask the Secretary of State for Trade and Industry what studies his Department has *(a)* commissioned and *(b)* evaluated on postal services in other EU countries with particular reference to the effects of (i) total and (ii) partial privatisation. [55821]

Mr. Ian McCartney: My Department has not commissioned any specific studies of this kind. My officials have regular and frequent contact with their opposite numbers in other EU countries and beyond, and have considerable knowledge of postal structures and services in those countries, which has been reinforced with further material gathered in the course of the Post Office Review.

Patents

Mr. Baker: To ask the Secretary of State for Trade and Industry under what circumstances patents granted by the European Patent Office have the legal effect of United Kingdom patents. [56353]

Dr. Howells: The European Patent Convention, to which the United Kingdom is a party, provides that the grant by the European Patent Office of a European Patent has the equivalent legal effect to a national patent in those States which have been designated by the applicant. The Convention allows each Member State to require that, before a European Patent has legal effect in its territory, a translation into an official language of that country must be provided. Along with all the other Member States, the UK requires such a translation.

Civil Aviation Research and Technology

Mr. Collins: To ask the Secretary of State for Trade and Industry if he will make a statement about the future of the CARAD programme. [56478]

Mr. Battle: No decisions have yet been made about detailed DTI budget allocations in future years.

Working Time Directive

Mrs. Lait: To ask the Secretary of State for Trade and Industry what estimate he has made of the cost to the charitable sector of compliance with the provisions of the Working Time Directive, for *(a)* employed staff and *(b)* volunteers. [56480]

Mr. Ian McCartney: There was no specific assessment of the cost to the charitable sector. An assessment for the whole of British industry was made, a copy of which is held in the Library of the House.

Ariane 5 Evolution Programme

Mr. McWalter: To ask the Secretary of State for Trade and Industry what plans his Department has to contribute to the Ariane 5 Evolution Programme. [55382]

Mr. Battle: The Department of Trade and Industry has no current plans to contribute to the Ariane 5 Evolution Programme.

Space Plan

Mr. McWalter: To ask the Secretary of State for Trade and Industry what plans the Government have to update the United Kingdom Space Plan of 1996; and if he will make a statement on United Kingdom participation in future launcher activities. [55373]

Mr. Battle: A new United Kingdom Space Plan, which will address, among other topics, the United Kingdom's participation in future launcher activities is in the process of being prepared.

When the Space Plan is completed it will be placed in the Libraries of the House.

Anti-microbial Disinfectants

Mr. Gordon Prentice: To ask the Secretary of State for Trade and Industry if he will take steps to ban the use of anti-microbial disinfectants, impregnated mattresses and similar household goods. [56172]

Dr. Howells: I have no plans to ban these products. Anti-microbial disinfectants are within scope of the recently adopted Biocidal Products Directive which will introduce a European harmonised authorisation scheme for such products A central aim of the directive, which is to be implemented in member States by May 2000, is to ensure a high level of protection for people and the environment.

EU Structural Funds

Mr. Sanders: To ask the Secretary of State for Trade and Industry if he will publish the criteria for determining future qualification for assisted area status; and if he will make a statement. [55699]

Mrs. Roche: On 30 July 1998, *Official Report*, columns *563–64*, I launched a 3 month period of public consultation on the criteria and the geographical units which should be used in drawing up the new Assisted Areas map. The consultation period finishes on 30 October and we shall listen carefully to views expressed. No decisions have yet been taken on the criteria to be used.

Mr. Sanders: To ask the Secretary of State for Trade and Industry what studies his Department has *(a)* commissioned and *(b)* evaluated into the structural economic problems of British seaside resorts. [55708]

Mrs. Roche: The Department has not commissioned any studies of the structural economic problems of British seaside resorts. However, the special needs of these areas will be taken into consideration during the current review of the Assisted Areas.

Digital Television

Mr. Stunell: To ask the Secretary of State for Trade and Industry what estimate he has made of the likely increase in carbon dioxide emissions resulting from the introduction of digital television. [56194]

Mrs. Roche: I refer the hon. Member to the reply given to my hon. Friend the Member for Blaneau Gwent (Mr. Smith) on 20 March 1998, *Official Report*, column *763*.

New Deal

Mr. Healey: To ask the Secretary of State for Trade and Industry how many people his Department is committed to employing during 1998 under *(a)* the subsidised job option and *(b)* the unsubsidised job option of the New Deal programme. [52581]

Dr. Howells: I have asked Chief Executives of my Department's Agencies to reply direct to my hon. Friend.

The headquarters area of the Department is planning to provide places as part of the New Deal programme later in the new year, under the subsidised job option.

Letter from John Holden to Mr. John Healey, dated 26 October 1998:

In response to your Parliamentary Question concerning employment under the New Deal programme, Companies House has no current firm plans to employ anyone under either the subsidised or the unsubsidised option.

Letter from P. R. S. Hartnack to Mr. John Healey, dated 26 October 1998:

I am replying for the Patent Office to your question to the President of the Board of Trade about the New Deal programme.

The Patent Office expects to employ twenty people this calendar year under the programme. Eleven young people joined us on 13 July 1998 under the subsidised job option and we hope one more will join us soon. We expect to fill eight places under the unsubsidised job option towards the end of next month or in early September.

Letter from Peter Joyce to Mr. John Healey, dated 26 October 1998:

The President of the Board of Trade has asked me to reply to your question about how many people The Insolvency Service is committed to employing during this calendar year under *(a)* the subsidised job option and *(b)* the unsubsidised job option of the New Deal programme.

The Insolvency Service will recruit at least two New Deal employees (subsidised) this calendar year.

Letter from Dr. Seton Bennett to Mr. John Healey, dated 26 October 1998:

The President of the Board of Trade has asked me to reply on behalf of the National Weights and Measures Laboratory to your question about the number of people NWML are committed to employ during this calendar year under *(a)* the subsidised job option and *(b)* the unsubsidised job option of the New Deal programme.

The National Weights and Measures Laboratory employs 50 staff and at present there are no plans to employ anyone under the terms of the New Deal programme in this Agency.

Letter from Ian Jones to Mr. John Healey, dated 26 October 1998:

I have been asked to reply in respect of the Employment Tribunals Service to your question of 23 July 1998 to the President of the Board of Trade asking how many people we will be employing under the New Deal programme.

The Agency has not committed itself to specific targets but will consider employing New Deal applicants should it be necessary to recruit externally in the future. At present we have restrictions in place on recruitment in some parts of the country because of the fall in numbers of tribunal applications.

CABINET OFFICE

Biotechnology and Genetic Modification Group

Mr. Baker: To ask the Minister for the Cabinet Office when he intends to establish the ministerial group on biotechnology and genetic modification; what will be the membership; what the terms of reference will be; whether the agendas and minutes will be published; and if he will make a statement. [56654]

Mr. Kilfoyle: I refer the hon. Member to the answer given by my right hon. Friend the Prime Minister to my hon. Friend the Member for Midlothian (Mr. Clarke) on 21 October 1998, *Official Report*, columns *1123–35*, which set out the composition and terms of reference of the Ministerial committees and groups established to date, including the Committee on biotechnology and genetic modification. In line with the practice of successive Governments the proceedings of Cabinet Committees are not normally made public.

SOCIAL SECURITY

Pensioners

Mr. Webb: To ask the Secretary of State for Social Security what is the median weekly income excluding means-tested benefits of *(a)* single male pensioners, *(b)* single female pensioners and *(c)* married pensioners who are aged (i) 60 to 64, (ii) 65 to 69, (iii) 70 to 74, (iv) 75 to 79 and (v) 80 years or above, in each of the years for which the pensioner income series has been constructed, and in 1974. [55637]

Mr. Denham *[holding answer 19 October 1998]:* The information is not available in the format requested. Such information as is available is set out in the tables.

Pensioner units' median gross income excluding means-tested benefits, by age

£

	Age				
	60–64	*65–69*	*70–74*	*75–79*	*80 and over*
(a) Single male pensioners					
1979	n/a	73	86	67	66
1981	n/a	86	78	72	78
1987	n/a	83	96	81	89
1988	n/a	93	93	71	83
1989	n/a	98	97	80	75
1990–91	n/a	101	96	89	93
1992	n/a	100	110	83	83
1993	n/a	95	116	97	90
1994–95	n/a	108	98	102	83
1995–96	n/a	130	122	95	106
(b) Single female pensioners					
1979	73	60	60	60	58
1981	77	64	63	60	62
1987	85	80	70	68	69
1988	92	73	69	69	70
1989	82	85	73	67	66
1990–91	101	84	70	71	69
1992	112	92	78	76	70
1993	107	98	82	75	76
1994–95	109	96	83	78	83
1995–96	97	108	90	90	91
(c) Pensioner couples					
1979	n/a	150	125	110	109
1981	n/a	145	132	114	117
1987	n/a	183	152	143	152
1988	n/a	194	158	141	125
1989	n/a	176	164	150	144
1990–91	n/a	202	178	156	139
1992	n/a	214	180	164	157
1993	n/a	219	187	166	162
1994–95	n/a	208	185	181	174
1995–96	n/a	235	198	170	158

Notes:

1. All amounts are in £s per week at July 1995 prices. They are rounded to the nearest £1, although estimates are not necessarily accurate to this level

2. All figures, and in particular figures for single male pensioners, should be treated with caution since they are based on small sample sizes

3. Estimates are for pensioner units. A pensioner unit is defined as a single (non-cohabiting) person over State Pension Age (65 years or above for men and 60 years or above for women), or a couple (married or cohabiting) where the man, defined as the head, is over State Pension Age. Estimates for pensioner couples are broken down by the age of the man

4. Estimates marked 'n/a' are not applicable. Single men and couples are only defined as pensioners if the man is aged 65 years or above

5. All estimates relate to calendar years, except the combined calendar years 1990–91 and the financial years 1994–95 and 1995–96

6. Means-tested benefits are defined as Income Support (Supplementary Benefit prior to 1988), Family Credit (Family Income Support prior to 1988), Council Tax Benefit (from 1993), Community Charge Benefit (from 1988 to 1992) and Housing Benefit

Source:

The Pensioners' Incomes Series dataset, based on the Family Expenditure Survey

Mr. Flynn: To ask the Secretary of State for Social Security what would be the basic pension rate for a single person in 1999–2000 if it had been uprated in line with average earnings *(a)* in each year since 1980, *(b)* in 1998 and 1999 and *(c)* in 1999 only. [56013]

Mr. Denham: The information requested is currently not available. In order to answer this question we need to know the increase both in the Retail Prices Index and in average earnings for the year to September 1998. While the former is available, the latter will not be available until mid December.

Mr. Flynn: To ask the Secretary of State for Social Security what is his current estimate of the proportion of pensioners entitled to income support who claim it; and what will be the corresponding proportion by the end of the year 2001–02 if take-up rises as assumed in his answer of 29 July 1998, *Official Report*, column *326*. [56015]

Mr. Denham: Take-up of income support by pensioners is currently estimated to be between 61 per cent. and 70 per cent., measured by caseload. For costing purposes, we have assumed that take-up arising from the measures announced as part of the Comprehensive Spending Review will increase by about 13 percentage points by the end of 2001–02.

Note:

Estimates of current take-up are taken from Income Related Benefits Estimates of Take-Up in 1996/97. Estimates of future take-up have been based upon Income Support forecasts following the changes announced as part of the Comprehensive Spending Review, and information from the 1995/96 Family Resources Survey.

Mr. Hancock: To ask the Secretary of State for Social Security in which countries *(a)* United Kingdom state pensioners receive an increase in payments in line with United Kingdom residents and *(b)* no increases are paid. [55803]

Mr. Denham: United Kingdom State pensioners resident abroad receive pension increases in line with United Kingdom residents in countries with whom we have agreements. These are members of the European Economic Area (EEA), Barbados, Bermuda, The Channel Islands, Cyprus, Federal Republic of Yugoslavia, Former Yugoslav Republic of Macedonia, Israel, Jamaica, Malta, Mauritius, Philippines, Republic of Bosnia-Herzegovina, Republic of Croatia, Republic of Slovenia, Switzerland, Turkey and the USA.

United Kingdom pensioners in any other country do not receive increases.

Mr. Hancock: To ask the Secretary of State for Social Security how many British citizens received United Kingdom state pensions in *(a)* the EU, *(b)* the Commonwealth and *(c)* other countries in the last year for which figures are available. [56064]

Mr. Denham: The number of pensioners in receipt of a United Kingdom State Pension living in *(a)* the EU, *(b)* the Commonwealth, and *(c)* other countries is *(a)* 204,150 *(b)* 476,701 *(c)* 162,640.

Mortgage Interest

Mr. Wyatt: To ask the Secretary of State for Social Security how much of the income support budget is spent annually on meeting interest payments on mortgages. [55653]

Angela Eagle: The information is in the table.

	1996–97	*1997–98*
Expenditure on Income Support Mortgage Interest Payments (£ million)	670	500
Overall Income Support Expenditure (£ million)	14,445	11,995
Percentage of overall Income Support Expenditure spent on Mortgage Interest Payments	4.6	4.2

Notes:

1. Estimates of annual expenditure on Income Support Mortgage Interest payments are based on 5 per cent. sample data taken from the Income Support Quarterly Statistical Enquiries: May 1996 to February 1998. Estimates are based on amounts of housing requirements payable to claimants with mortgage interest payments, and will therefore include amounts for ground rent and other miscellaneous housing costs, although the majority of the amount is paid for mortgage interest. This provides a more accurate reflection of the help actually provided to claimants under the housing cost rules

2. Figures for overall expenditure are consistent with those set out in the Comprehensive Spending Review (CSR) White Paper published by the Government on 14 July 1998. The figure for 1997–98 is an estimated outturn. The actual outturn expenditure figure will be available later this year

3. Unemployed claimants receiving Income Support transferred to Income Based Jobseeker's Allowance with effect from October 1996. Figures for 1996–97 include expenditure on Income Support cases up to this date. Estimated expenditure on Jobseeker's Allowance mortgage interest for the rest of 1996–97 is £99 million. Estimated annual expenditure for the year 1997–98 is £144 million

4. Expenditure figures are rounded to the nearest £5 million.

Mr. Sanders: To ask the Secretary of State for Social Security what representations he has received on extending the range of mortgage interest rates to include former building societies not converted to banks for the calculation of support with mortgage interest payments; and if he will make a statement. [55703]

Angela Eagle: Information relating only to former building societies that have converted to banks is not available. We have received 16 representations from hon. Members, members of the public and national organisations concerning the inclusion of bank mortgage interest rates when calculating benefit entitlement.

Mr. Sanders: To ask the Secretary of State for Social Security how many people currently receive support from his Department towards their mortgage interest payments. [55705]

Angela Eagle: In November 1997 there were approximately 351,000 people receiving help with mortgage interest payments. This is the latest available information.

Benefit Rates

Mr. Flynn: To ask the Secretary of State for Social Security (1) if he has, in the current tax year, carried out the review of benefit rates required by section 150(1) of the Social Security Administration Act 1992; [56012]

(2) what decisions he has taken regarding the rates of benefit payable from April 1999; and when the Treasury was informed of those decisions. [56014]

Angela Eagle: We expect to announce the results of our review shortly. Officials in the Department and the Treasury have regular contact on this matter and many others.

Widow's Benefit

Mr. Flynn: To ask the Secretary of State for Social Security if he will ensure that widowed mother's allowance, including the increases for children, is uprated in line with prices in 1999. [56018]

Angela Eagle: The rates of all benefits, including Widowed Mother's Allowance, Child Dependency Increases and Child Benefit, are reviewed annually.

From next April, in addition to normal uprating, the standard rate of Child Benefit for an eldest child will be increased by an extra £2.50 a week.

Mr. Flynn: To ask the Secretary of State for Social Security what was the combined value of child dependency addition and child benefit for the child of a widowed mother *(a)* in cash terms, *(b)* in real terms and *(c)* as a percentage of average earnings in November 1979 and at each subsequent uprating date. [56017]

Angela Eagle: The information is in the tables.

Benefits Expenditure

Mr. Maude: To ask the Secretary of State for Social Security what is his Department's current forecast for spending on social security benefits in *(a)* 1999–2000, *(b)* 2000–01 and *(c)* 2001–02. [56087]

Mr. Darling: The latest published forecasts of the Department's benefit expenditure for the years 1999–2000 to 2001–02 are set out in the White Paper "Modernising Public Services for Britain: Investing in Reform" (Cm 4011), table 20.1.

Child benefit and widowed mother's allowance child dependency increase for the first child

Uprating date	*Cash paid £ per week*	*Cash as a percentage of average earnings at each uprating date*	*Real value at April 1998 prices £ per week*	*Real value as percentage of average earnings at April 1998*
November 1979	11.10	11.0	29.95	7.7
November 1980	12.25	10.2	28.67	7.4
November 1981	12.95	9.8	27.07	7.0
November 1982	13.80	9.7	27.15	7.0
November 1983	14.10	9.0	26.45	6.8
November 1984	14.50	8.7	25.92	6.7
November 1985	15.05	8.4	25.51	6.6
July 1986	15.15	8.0	25.26	6.5
April 1987	15.30	7.7	24.44	6.3
April 1988	15.65	7.2	24.05	6.2
April 1989	16.20	6.8	23.05	6.0
April 1990	16.90	6.4	21.97	5.7
April 1991	17.95	6.3	21.93	5.7
October 1991	18.95	6.5	22.81	5.9
April 1992	19.40	6.4	22.73	5.9
April 1993	19.80	6.2	22.90	5.9
April 1994	20.00	6.1	22.55	5.8
April 1995	20.25	6.0	22.10	5.7
April 1996	20.70	5.9	21.79	5.7
April 1997	20.95	5.7	21.35	5.6
April 1998	21.35	5.5	21.35	5.5

Child benefit and widowed mother's allowance child dependency increase for subsequent children

Uprating date	*Amount paid £ per week*	*Cash as a percentage of average earnings at each uprating date*	*Real value at April 1998 prices £ per week*	*Real value as percentage of average earnings at April 1998*
April 1991	17.95	6.3	21.93	5.7
October 1991	18.20	6.2	21.90	5.7
April 1992	18.65	6.1	21.85	5.6
April 1993	19.05	6.0	22.03	5.7
April 1994	19.25	5.9	21.71	5.6
April 1995	19.50	5.8	21.28	5.5
April 1996	19.95	5.7	21.26	5.5
April 1997	20.20	5.5	21.01	5.4
April 1998	20.60	5.3	20.60	5.3

Notes:

1. The average earnings of full time adult employees was calculated using the New Earnings Survey and Average Earnings Index, both produced by the Office for National Statistics.

2. The Retail Prices Index (all items) was used to put Child Benefit and Widowed Mother's Allowance child dependency addition into real terms as at April 1998. This was then compared with the provisional average earnings for April 1998 to give the percentage quoted.

Housing Benefit Fraud

Dr. Iddon: To ask the Secretary of State for Social Security what plans he has to revise the draft guidance on weekly benefit savings after abandonment of a property following the publication of the notes Accommodation Related Fraud, with particular reference to the section indicating that fraud would be considered to arise if a tenant in receipt of housing benefit failed to report that they had moved. [55741]

Mr. Denham: Officials are currently working with representatives of the local authority associations to prepare revised guidance on the claiming of weekly benefit savings by local authorities. This guidance will be issued to authorities at the beginning of November.

In the particular example cited, a 75 per cent. weekly benefit saving would be appropriate where, as a result of a fraud investigation, a tenant was found to be not resident.

Dr. Iddon: To ask the Secretary of State for Social Security if he will make it his policy to allow weekly benefit savings claims if, on inquiry by an officer of a local authority, a claimant for housing benefit admits that they have omitted to provide the correct details or given incorrect details in circumstances where a designated fraud officer subsequently investigates the reason for omission and concludes that fraud was intended. [55744]

Mr. Denham: It is already the case that a weekly benefit saving can be claimed if, as a result of a fraud investigation, fraud is discovered, the Housing Benefit claim is stopped and a fraudulent overpayment occurs.

National Insurance Fund

Mr. Flynn: To ask the Secretary of State for Social Security what is the expected contribution by the Treasury to the National Insurance Fund for each year from 1998–99 to 2001–02. [55789]

Mr. Timms: No Treasury Grant to the National Insurance Fund is required for 1998–1999. The amounts of Grant that may be required for 1999–2000 and subsequent years will depend on decisions about the rates of the benefits paid out of the Fund and the rates and thresholds for National Insurance contributions for those years. Estimates of the Grant needed in 1999–2000 will be shown in the Report by the Government Actuary on the drafts of the Social Security Benefits Up-rating Order 1999 and the Social Security (Contributions) (Re-rating and National Insurance Fund Payments) Order 1999 which will be laid before Parliament in due course.

Pension Payments

Mr. Bob Russell: To ask the Secretary of State for Social Security what plans he has to increase the number of occasions each year whereby a state retirement pension can be paid from a post office other than the one designated. [56158]

Mr. Denham: There are no plans to increase the number of occasions each year that a Retirement Pension can be encashed away from a person's nominated post office.

Disability Living Allowance

Mr. Oaten: To ask the Secretary of State for Social Security how many higher-rate tax payers are currently in receipt of Disability Living Allowance; and what is the estimated total cost of these awards. [56075]

Mr. Timms: The latest estimate is that there are around 10,000 higher rate taxpayers currently in receipt of Disability Living Allowance. This is based on survey information and is subject to a margin of error. An estimate of the total cost of these awards is not available; however, if the average receipt reflects that for Disability Living Allowance recipients as a whole, the cost will be in the region of £25 million for this year.

Pensions

Mr. Loughton: To ask the Secretary of State for Social Security what proportion of Serps payments by his Department to contracted out pension schemes have been paid late in 1998 to date; and what is the average length of late payment. [56636]

Mr. Timms: By 1 November 1998 we will have paid about 27 per cent. of the age-related rebates we expect to make for the 1997–98 tax year. Many payments are going to be made later than this date and to reflect the delay in these payments an actuarial adjustment will be made.

Payments made at the beginning of November will be increased by 0.5 per cent. Payments will be increased by a further 0.5 per cent for each subsequent month until the expected level of payment is reached.

The average length of delay on the 1 November 1998 is one month for all cases not yet paid.

Benefits Agency

Mr. Winnick: To ask the Secretary of State for Social Security what is the average time taken by the Chief Executive of the Benefits Agency to provide a substantive reply to letters from hon. Members writing on behalf of constituents. [55949]

Angela Eagle: This is a matter for Peter Mathison, the Chief Executive of the Benefits Agency. He will write to my hon. Friend.

Letter from Mark Fisher to Mr. David Winnick, dated 22 October 1998:

The Secretary of State for Social Security has asked Peter Mathison to reply to your recent Parliamentary Question asking, what is the average time taken by the Chief Executive of the Benefits Agency to provide a substantive reply to letters from hon. Members writing on behalf of constituents. As Mr. Mathison is away from the office I am replying.

The Agency aims to reply to 80 per cent. of correspondence within 20 working days. However, the average time taken to reply to letters over the last three months has been 21.78 working days. This is too long but it is due to the volume of correspondence the Agency has been receiving. Correspondence has increased by 35 per cent. over the first six months of this financial year, compared with the same period last year. Additional resources have been put in place to clear the cases faster and we fully expect an improvement in the next few weeks.

I hope you find this reply helpful.

Winter Fuel Payments

Mr. Chope: To ask the Secretary of State for Social Security what is his estimate of the number of pensioner households entitled to winter fuel payments for winter 1997–98 who have not yet been paid in full; and if he will make a statement. [55856]

Angela Eagle: The administration of Winter Fuel Payments is a matter for Peter Mathison, Chief Executive of the Benefits Agency. He will write to the hon. Member.

Letter from Peter Mathison to Mr. Christopher Chope, dated 22 October 1998:

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Question asking what is his estimate of the number of pensioner households entitled to Winter Fuel Payments for winter 1997–98 who have not yet been paid in full.

The making of Winter Fuel Payments to almost 10 million pensioners, in over seven million households, before the end of March 1998 has been a challenging task for the Benefits Agency (BA). This was achieved whilst maintaining normal benefit business.

In excess of 9.76 million Winter Fuel Payments were made automatically by 31 March 1998. Based on official records all eligible pensioners have been issued with a payment. However, it is likely that a small number of customers have not yet been paid because the original girocheque was not cashed, or customers have not yet queried their entitlement. It is not possible to estimate how many of these cases are outstanding. If, however any eligible pensioner feels that they are entitled to an initial or further payment, they should apply to the BA for a review of their entitlement.

Thank you for the opportunity to explain the position.

NORTHERN IRELAND

Railways

Mr. Forsythe: To ask the Secretary of State for Northern Ireland what plans she has to expand the railway system in Northern Ireland. [55660]

Mr. Paul Murphy: The Minister with responsibility for the Environment, Lord Dubs, gave approval on 7 August 1998 to the upgrading, and re-opening, of the Antrim to Bleach Green line for passenger traffic. There are no further plans to expand the railway system.

Human Rights Commission

Mr. McNamara: To ask the Secretary of State for Northern Ireland what information she has received from the Government of the Republic of Ireland concerning the introduction of legislation in the Republic to fulfil the equality and human rights issues of the Good Friday Agreement. [55629]

Mr. Paul Murphy: The Irish Government have confirmed that they will be introducing legislation to establish a Human Rights Commission with the aim of setting up the Commission in February 1999. The Framework Convention on National Minorities is expected to be ratified by Christmas. Work on the compatibility with the ECHR is being conducted by an All-Party Oireachtas Committee.

Mr. McNamara: To ask the Secretary of State for Northern Ireland what representations from Irish Americans she received concerning the power of the proposed Human Rights Commission to initiate investigations and compel the attendance of witnesses; and in which cities and from which groups. [55630]

Mr. Paul Murphy: My right hon. Friend the Secretary of State has recently returned from a tour of 11 cities in the US. The focus of the tour was to promote inward investment in Northern Ireland; the powers of the proposed Human Rights Commission were not raised.

Mr. McNamara: To ask the Secretary of State for Northern Ireland what discussions she has had with the UN High Commission on Human Rights on the equality and human rights provisions of the Northern Ireland Bill; to what extent the Commission expressed its view that the provisions *(a)* met the criteria and *(b)* fell short of the criteria of the Principles on the Status of National Institutions (The Paris Principles) as extended by subsequent United Nations' workshops. [55633]

Mr. Paul Murphy: Officials from the Northern Ireland Office have held one meeting with officials from the UN High Commission on Human Rights as part of the Government's consultations with interested organisations and political parties on the human rights provisions of the Northern Ireland Bill. These consultations were exploratory and it would not be appropriate for me to go into detail about what was discussed.

Mr. McNamara: To ask the Secretary of State for Northern Ireland what discussions she has had with the Human Rights Directorate of the Council of Europe concerning the contents of the human rights and equality provisions of the Northern Ireland Bill, indicating those areas which the Directorate asked to be strengthened to enable the Human Rights Commission to initiate inquiries and compel the attendance of witnesses. [55634]

Mr. Paul Murphy: I have not had any discussions with the Council of Europe about the human rights and equality provisions of the Northern Ireland Bill. My right hon. Friend the Secretary of State has received a letter dated 19 October from the Secretary General of the Council of Europe. The letter does not specifically ask for any of the parts of the Bill to be strengthened.

Homefirst Community Trust

Mr. McNamara: To ask the Secretary of State for Northern Ireland if the Social Services Inspectorate report into the case of Frederick McLernon will be taken into account in determining performance-related bonuses for senior management of Homefirst Community Trust. [56284]

Mr. Paul Murphy: The Social Services Inspectorate report into the case of Frederick McLernon acknowledged that good community care policies and procedural guidelines are in place in Homefirst Community Trust but identified a number of deficiencies in the way his case was handled.

Decisions on performance-related bonuses for Senior Management in Trusts are still a matter for Trust Remuneration committees and Trust Boards but I would expect the findings of the report to be considered by Homefirst Community Trust's Board in deciding performance-related bonuses in 1998–99.

Mr. McNamara: To ask the Secretary of State for Northern Ireland what was the cost of the production and distribution of the new Homefirst Community Trust *(a)* diary and *(b)* report. [56285]

Mr. Paul Murphy: The term "diary" is a generic description of a publication which includes not only a diary but also a copy of the Trust's annual report, a handbook for staff and a Homefirst telephone directory. The cost of production and distribution of the new diary to each of the 4,800 staff in the Trust was £21,886.50.

It is not possible to calculate separately the cost of the annual report section of the diary, as it was printed as part of the complete project. However, in order to comply with the statutory requirement to publish its annual report, the Trust made arrangements to reproduce separately that section of the diary containing its annual report. This was distributed to interested bodies and organisations at a cost of £168.

TREASURY

British Household Panel Survey

Mr. Webb: To ask the Chancellor of the Exchequer, pursuant to his answer of 19 October 1998, *Official Report*, column *928*, by what means hon. Members may obtain tabulations of data from the British Household Panel Survey which they themselves have specified. [56443]

Ms Hewitt: The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from Tim Holt to Mr. Steve Webb, dated 26 October 1998:

As Director of the Office for National Statistics (ONS), I have been asked to reply to your recent pursuant parliamentary question on the British Household Panel Survey.

As I said in my previous reply, the British Household Panel Survey (BHPS) is funded by the Economic and Social Research Council (ESRC) and conducted by the Institute for Social and Economic Research (formerly the ESRC Research Centre on Micro-social Change).

Specific tabulations from the BHPS are available directly from the Institute for Social and Economic Research (telephone number 01206 872957). Payment may be due for production of specific analyses.

Average Earnings

Mr. Caplin: To ask the Chancellor of the Exchequer what action he plans to take to investigate the circumstances behind the two revisions to the average earnings figures released by the Office for National Statistics on 6 October and 14 October and to assess whether best practice is being employed in compiling this series. [56990]

Mr. Gordon Brown: I have written to my hon. Friend the Member for North Durham (Mr. Radice) as Chairman of the Treasury Committee setting out our plans to investigate the circumstances behind the two revisions to the average earnings figures released by the Office for National Statistics on 6 October and 14 October. A copy of my letter has been placed in the Library of the House.

Dr. Cable: To ask the Chancellor of the Exchequer if he will make a statement on the errors made by the Office for National Statistics in the July Earnings Data. [56243]

Ms Hewitt: I refer the hon. Gentleman to the reply which the Chancellor of the Exchequer has today given to my hon. Friend the Member for Hove (Mr. Caplin).

Cross-border Smuggling and Shopping

Mr. Heathcoat-Amory: To ask the Chancellor of the Exchequer if he will estimate the *(a)* retail value and *(b)* excise duty content of (i) alcohol products and (ii) tobacco products subject to (1) cross-border smuggling and (2) cross-border shopping for each year from 1995. [55728]

Dawn Primarolo *[holding answer 22 October 1998]:* HM Customs and Excise estimates of the retail value and the tax content (excise duty and VAT) through cross-border shopping in 1995 and 1996 and cross-Channel smuggling of alcohol and tobacco products in 1996 and 1997 are set out in the tables:

Table 1—Retail value and tax content of cross-border shopping
£ million

Product type	*Retail value*	*Excise duty*	*VAT*	*1995 Total*	*Retail value*	*Excise duty*	*VAT*	*1996 Total*
Alcohol	360	165	75	240	375	175	75	255
Tobacco	65	40	10	50	60	35	10	45
Total	430	205	85	290	435	210	85	300

Note:
Amount actually lost to the Exchequer is less (totals £230 million in 1995 and £235 million in 1996) because not all purchases in other EU states replace similar purchases in the UK

Table 2—Retail value and tax content of cross-Channel smuggling
£ million

Product type	*Retail value*	*Excise duty*	*VAT*	*1996 Total*	*Retail value*	*Excise duty*	*VAT*	*1997 Total*
Alcohol	525	180	80	260	580	180	85	260
Tobacco	875	510	130	640	915	550	135	690
Total	1,400	690	210	900	1,490	730	220	950

Notes:
Amount actually lost to the Exchequer is less (totals £835 million in 1996 and £885 million in 1997) because not all purchases in other EU states replace similar purchases in the UK
Figures in both tables have been independently rounded to £5 million. Components may not therefore sum to the totals shown

The estimates exclude any amounts for revenue lost on alcoholic drinks and tobacco products involved in diversion-type fraud, and smuggling in freight consignments or by air passengers. Customs and Excise have not published any estimates for the extent of these activities. Similarly, there were no official estimates for the extent of smuggling prior to 1996.

Interest Rates

Mr. Maude: To ask the Chancellor of the Exchequer if he will make a statement on his policy as regards making statements about the UK interest rate levels. [55843]

Mr. Gordon Brown *[holding answer 22 October 1998]:* The inflation target is set by the Government. Month by month interest rate decisions are a matter for the Monetary Policy Committee.

Mr. Mitchell: To ask the Chancellor of the Exchequer how the international agreement to reduce interest rates will be implemented *(a)* in the EU and *(b)* in Great Britain. [56162]

Ms Hewitt: The Finance Ministers and Central Bank Governors of the G7 keep in regular contact. Their statement of October 3 reaffirmed the key importance of each country in the global economy doing its part to promote recovery and financial stability. Countries face different circumstances, but several have been able to cut interest rates recently, including the USA (twice), Canada, and the UK.

Dividend Income Taxation

Dr. Cable: To ask the Chancellor of the Exchequer when the Paymaster General will make a statement on the payment of tax on dividend income by low income pensioners. [56219]

Dawn Primarolo: The Government have this under consideration and will make an announcement as soon as they are in a position to do so.

Fuel Duty (School Transport)

Mr. Chope: To ask the Chancellor of the Exchequer if he will extend eligibility for fuel duty rebate to buses and coaches on private hire engaged in transporting children to and from school; and if he will make a statement. [56366]

Ms Hewitt: Schools services are eligible for Fuel Duty Rebate provided that they are registered as a local service with the local Traffic Commissioner and meet all the criteria of the rebate scheme, in particular that the services are available to all members of the general public. Any change in these long-standing principles, extending rebate to additional services, would entail either extra expenditure or a lower rebate overall; there are no current plans for such an extension.

Vehicle Excise Duty

Mr. Chope: To ask the Chancellor of the Exchequer what amount of vehicle excise duty will be payable from 1 January 1999 for *(a)* a 40 tonne vehicle on five axles and *(b)* a 41 tonne vehicle on six axles; and if he will make a statement. [56365]

Ms Hewitt: The Chancellor of the Exchequer has already announced that he is reviewing the system for setting Vehicle Excise Duty (VED) rates for lorries to ensure that the environmental damage caused by lorries is reflected in their VED rates. The review is taking into account the wider environmental impacts of lorries, as well as considerations of their physical effects on the road infrastructure. In the meantime, the VED payable from 1 January 1999 for these vehicles will be the current rates of £3,210 and £1,280 respectively.

Tax Evasion

Mr. Drew: To ask the Chancellor of the Exchequer what measures the Government plan to introduce to combat tax evasion. [55978]

Dawn Primarolo: A key element of the Government's aim to create a fair tax system is making sure that people pay the right amount of tax at the right time. An example of their commitment to deal with tax evasion is the new Construction Industry Scheme which will commence on 1 August 1999. Under the new scheme, only those subcontractors whose turnover is above a prescribed level and who have complied with their tax obligations on time will be entitled to gross payment for work. All other subcontractors will have to produce a registration card in order to be paid, and deductions from their pay will be made on account of tax and Class 4 National Insurance Contributions.

National Savings

Mr. Loughton: To ask the Chancellor of the Exchequer what steps he is taking to ensure that national savings products comply with the CAT standard mark being applied to certain ISA products. [56635]

Ms Hewitt: The CAT standard is a voluntary set of requirements designed specifically for the new Individual Savings Account. Their purpose is to support savings through ISAs by encouraging minimum standards for charges, access and terms.

There is no intention that the CAT standards should apply to other forms of savings, whether those savings are provided by National Savings or anyone else. There is a huge range of savings products catering for many different needs. Many National Savings products are Bond or Certificate products which are mainly lump sum investments at fixed rates. It is wholly inappropriate to compare the CAT standards designed for cash ISAs against such products.

I am pleased to be able to confirm that National Savings plan to introduce a new savings account specifically for inclusion within an ISA which they fully expect will meet the CAT standards.

Sustainable Debt

Mr. Maude: To ask the Chancellor of the Exchequer if it is his policy to abide by the sustainable debt rule over the current planning period. [56077]

Ms Hewitt: As stated in the Economic and Fiscal Strategy Report (Cm 3978), the sustainable investment rule ensures that net public debt as a proportion of GDP will be held over the economic cycle at a stable and prudent level.

Fiscal Policy

Mr. Maude: To ask the Chancellor of the Exchequer what are his current operating rules for fiscal policy. [56081]

Ms Hewitt: The Government's operating rules for fiscal policy, as set out in the Economic and Fiscal Strategy Report, are:

The golden rule—over the economic cycle the Government will borrow only to invest and not to fund current expenditure.

The sustainable investment rule—net public debt as a proportion of national income will be held over the economic cycle at a stable and prudent level.

Departmental Forecasts

Mr. Maude: To ask the Chancellor of the Exchequer (1) if he will list his Department's current estimates for public sector net wealth for *(a)* 1999–2000, *(b)* 2000–01 and *(c)* 2001–02; [56091]

(2) what are his current estimates of the cyclically adjusted budget balances in respect of the *(a)* current budget and *(b)* public sector net borrowing; [56080]

(3) what is his current estimate of the financing requirement for 1998–99. [56082]

Ms Hewitt: The latest estimates will be published in the Pre-Budget Report on 3 November.

Mr. Maude: To ask the Chancellor of the Exchequer (1) what is his Department's current revised forecast for *(a)* output growth, *(b)* the GDP deflator and *(c)* money GDP for each of the years (i) 1998, (ii) 1999, (iii) 2000 and (iv) 2001; [56079]

(2) what is his Department's current forecast for the savings ratio arising from his revised growth forecast; [56092]

(3) what is his Department's current forecast for *(a)* output growth, *(b)* the GDP deflator and *(c)* money GDP for each of the financial years (i) 1998–99, (ii) 1999–2000, (iii) 2000–01 and (iv) 2001–02; [56089]

(4) what assessment he has made of the reasons for the differences between the Treasury forecast for growth and recent published forecasts of independent forecasters. [56093]

Ms Hewitt: New economic forecasts will be published as part of the Pre-Budget Report on 3 November.

Mr. Maude: To ask the Chancellor of the Exchequer if he will list his current estimates for general Government gross debt in cash terms for each month from April 1997 to the current date. [56090]

Ms Hewitt: There are no monthly data available.

Mr. Maude: To ask the Chancellor of the Exchequer if he will publish a revised Economic and Fiscal Strategy report to take account of the latest revisions to growth forecasts. [56084]

Ms Hewitt: The Chancellor of the Exchequer will publish a revised set of forecasts in the Pre-Budget Report on 3 November.

Mr. Maude: To ask the Chancellor of the Exchequer (1) what is his Department's current forecast for *(a)* net public sector debt and *(b)* general Government gross debt, in (i) 1999–2000, (ii) 2000–01 and (iii) 2001–02; [56083]

(2) what are his Department's current forecasts for *(a)* income tax receipts, *(b)* excise duties and *(c)* social security contributions, in (i) 1999–2000, (ii) 2000–01 and (iii) 2001–02; [56088]

(3) what are his Department's current forecasts for *(a)* current receipts, *(b)* current expenditure and *(c)* the current surplus or deficit in *(a)* 1999–2000, (ii) 2000–01 and (iii) 2001–02; [56085]

(4) what is his Department's current forecast for central Government gross debt interest in *(a)* 1999–2000, *(b)* 2000–01 and *(c)* 2001–02; [56086]

(5) what is his Department's current forecast for *(a)* public sector net borrowing and *(b)* the Maastricht deficit measure, in (i) 1999–2000, (ii) 2000–01 and (iii) 2001–02. [56076]

Ms Hewitt: A new forecast of the public finances will be published in the Pre-Budget Report on 3 November.

Golden Rule

Mr. Maude: To ask the Chancellor of the Exchequer if it is his policy to abide by the golden rule over the current planning period. [56078]

Ms Hewitt: As stated in the Economic and Fiscal Strategy Report (Cm 3978), the golden rule ensures that, over the economic cycle, the government will borrow only to invest and not to fund current expenditure.

Air Passenger Duty

Mr. Alasdair Morgan: To ask the Chancellor of the Exchequer if he has received notice from DGVII of the European Commission regarding infraction proceedings being instituted against the United Kingdom over the current system of air passenger duty; what plans he has to reform the current system of air passenger duty to conform with European law; and if he will rule out extending air passenger duty to cover both the outward and inward legs of return domestic flights. [56026]

Dawn Primarolo: The European Commission has challenged the current exemption from air passenger duty that applies to the return leg of a return journey within the United Kingdom. We are considering how to respond. This will take some time and I do not expect to make any announcement before the Budget. Until then I am not prepared to speculate on what the outcome may be.

Charities

Sir John Stanley: To ask the Chancellor of the Exchequer when he expects to publish his proposals arising from his review of the taxation of charities. [56309]

Dawn Primarolo: The Government received over 3,000 replies in the first phase of the review and are determined to consider carefully all the options before launching the next phase. We intend to publish a Consultation Document as soon as possible.

Child Benefit

Mr. Webb: To ask the Chancellor of the Exchequer if he will make it his policy to use all of the proceeds from taxing child benefit at the higher rate for increases in child benefit. [56452]

Dawn Primarolo: This Government believe that every child deserves the best possible start in life. In the Budget we took action to help achieve this through the largest ever cash increases in Child Benefit (and allowances in income-related benefits), and by increasing income-related allowances for children under eleven. As my right hon. Friend the Chancellor made clear in his Budget speech on 17 March 1998, *Official Report*, columns 1097–1112, if Child Benefit is raised in future, there is a case in principle for higher rate tax payers paying tax on it.

Tax Credits (Child Care)

Mr. Webb: To ask the Chancellor of the Exchequer if expenditure on registered childcare by a non-employed taxpayer will be eligible for a tax credit under the proposed working families tax credit. [56455]

Dawn Primarolo: The Working Families Tax Credit (WFTC) will be paid to families with at least one member working 16 hours a week or more. The childcare tax credit, which is an integral part of the WFTC, will provide extra help with the costs of eligible childcare where both partners work these hours, or where the child's parent is on their own.

VAT

Mr. Whittingdale: To ask the Chancellor of the Exchequer how many additional small businesses would become liable for VAT if the *(a)* registration threshold and *(b)* registration threshold for businesses in the service sector were set at (i) 0, (ii) £10,000, (iii) £20,000, (iv) £30,000 and (v) £40,000; and how much extra revenue would be raised as a result in each case. [56461]

Dawn Primarolo: Reducing the VAT registration threshold to nil is estimated to yield around £100 million. The other information is not available.

Mr. Whittingdale: To ask the Chancellor of the Exchequer (1) when he intends to publish the outcome of the review of the VAT registration threshold; and if he will make a statement; [56466]

(2) how many representations have been received in response to the consultation document Review of VAT Registration Threshold; and if he will make a statement. [56469]

Dawn Primarolo: As at 22 October 1998, 212 representations had been received in response to the consultation document. These representations are currently being analysed and evaluated by Customs. A report on the results will be published in due course.

Mr. Whittingdale: To ask the Chancellor of the Exchequer what rate of VAT is levied on the supply of sporting facilities by non-profit making organisations in each member state of the European Union. [56470]

Dawn Primarolo: In accordance with European law, supplies of sporting facilities by non-profit making organisations are exempt from VAT.

Mr. Whittingdale: To ask the Chancellor of the Exchequer what estimate he has made of the loss of revenue from avoidance of VAT by those supplying sporting facilities. [56471]

Dawn Primarolo: The annual revenue loss is estimated at £5 million. If unchecked, the total loss could rise to £20 million.

Mr. Whittingdale: To ask the Chancellor of the Exchequer what estimate he has made of the revenue which would be raised if the supply of sporting facilities by non-profit making organisations were made subject to VAT at the standard rate. [56472]

Dawn Primarolo: If VAT were to be charged at the standard rate of 17.5 per cent. on the supply of sporting facilities by non-profit making organisations, estimated annual revenue yield would be some £40 million.

Mr. Whittingdale: To ask the Chancellor of the Exchequer if he intends to reintroduce the VAT (Sports, Sports Competitions and Physical Education) Order 1998; and if he will make a statement. [56459]

Dawn Primarolo: An announcement will be made as soon as possible.

Merchant Vessels

Mr. Mitchell: To ask the Chancellor of the Exchequer what representations he has received concerning the liability under EU legislation of owners of British-registered merchant vessels for corporation tax on a tonnage basis; what estimate he has made of the impact on the Exchequer of changing to such a system; and what information he has collated concerning the practice of Governments of other member states in this respect. [55690]

Dawn Primarolo: We have received representations from various sources about a tonnage-based tax system for shipping. We do not have a confirmed estimate of the cost of introducing such a system to the UK. We understand that some other European states such as Greece, Norway and the Netherlands operate tonnage-based tax systems.

Gaming Machines

Mr. Amess: To ask the Chancellor of the Exchequer how many letters of objection he has received to the increase on gaming machine licensing duty. [55784]

Dawn Primarolo: Between 18 March 1998 and 20 October the Chancellor received 86 letters which objected to the increases made to Amusement Machine Licence Duty in the last Budget.

National Insurance

Mr. Flynn: To ask the Chancellor of the Exchequer what representations he has received regarding the

extension of income tax relief to the part of employees' national insurance contributions relating to SERPS; and if he will make a statement. [55790]

Dawn Primarolo: We have received only one representation suggesting that income tax relief be extended to the part of employees' national insurance contributions relating to SERPS. This will be considered along with the other representations we have received on the future of pension provision.

Age Concern (VAT)

Mr. Bob Russell: To ask the Chancellor of the Exchequer for what reason Customs and Excise ruled that value added tax must be charged by Age Concern Essex to those receiving the home support service; when the ruling was implemented; and if he will give an instruction that VAT should not be levied. [55800]

Dawn Primarolo: Welfare services (including care provided to elderly people) have been VAT exempt when supplied by charities on a not-for-profit basis since 1986. Customs' interpretation of the application of VAT legislation is that household chores or errands do not qualify for VAT exemption unless they are provided as an incidental part of a package of medical or personal care. This ruling was given to Age Concern Essex on 24 August 1998, to be effective from that date. Customs are now reviewing their interpretation of the exemption for charity welfare services following a recent decision of the VAT and Duties Tribunal.

Exchange Rate

Dr. Cable: To ask the Chancellor of the Exchequer what is the percentage change in *(a)* the nominal trade-weighted exchange rate and *(b)* the real effective exchange rate since (i) 1 May 1997 and (ii) Britain left the ERM. [56346]

Ms Hewitt: Relevant data are set out in the table. The real effective exchange rates are calculated by the OECD, and are produced only on a monthly basis, using relative movements in consumer prices.

	Nominal trade-weighted index	*Real effective exchange rate*
Levels:		
August 1992	100.8	102.7
April 1997	99.5	98.1
August 1998	104.6	108.5
Percentage changes:		
August 1992-August 1998	3.8	5.6
April 1997-August 1998	5.1	10.6

Dr. Cable: To ask the Chancellor of the Exchequer what estimate his Department has made of the current purchasing power parity exchange rate for sterling vis-a-vis *(a)* the US dollar and *(b)* the Deutschmark. [56244]

Ms Hewitt: Neither HM Treasury nor the Office for National Statistics produce such estimates. The OECD produces estimates of purchasing power parity exchange rates for the purpose of comparing GDP in different countries. These can be found in the monthly OECD publication "Main Economic Indicators" but they would not be appropriate for other purposes, such as assessing the competitiveness of tradeable goods.

Premium Bonds

Mr. Bob Russell: To ask the Chancellor of the Exchequer if he will reduce to £25 the lower limit for purchase of premium bonds. [56149]

Ms Hewitt: The minimum purchase for Premium Bonds was increased to £100 from £10 on 1 July 1989 because of the need to reduce the cost of administering the Premium Bonds scheme. Since that time, customer demand suggests that the £100 level is acceptable to the majority of purchasers, with the average purchase currently over £1,500. We do not therefore anticipate changing this minimum purchase limit.

Revised Growth Forecast

Mr. Maude: To ask the Chancellor of the Exchequer what is his Department's revised forecast for growth in *(a)* 1999, *(b)* 2000 and *(c)* 2001. [55846]

Ms Hewitt: New forecasts for growth will be published on 3 November as part of the Pre-Budget Report. These will take account of developments since the Budget forecast was published in March.

HOME DEPARTMENT

Comprehensive Spending Review

9. **Mr. Tom King:** To ask the Secretary of State for the Home Department what representations he has received from police representatives about the outcome of the comprehensive spending review. [53516]

Mr. Straw: I have received 29 representations about the allocation of funding following the Comprehensive Spending Review but none so far about the overall total for the police. Under the Comprehensive Spending Review an extra £1.24 billion will be made available to the police service in England and Wales over the next three years. Part of the additional funding for the second and third years will be dependent on the police achieving targets for efficiency improvements of 2 per cent. a year. Police representatives are being consulted about the guidance to be issued.

Mentally Disordered Offenders

21. **Mr. Dismore:** To ask the Secretary of State for the Home Department if he will make a statement concerning support for victims of mentally disordered offenders. [53530]

Mr. George Howarth: The Government are committed to improving the level of support and information provided to the victims of crimes committed by people with mental disorders.

For example, the Department of Health is preparing a leaflet, for victims and their families, outlining the care and discharge arrangements for mentally disordered offenders.

Crime Statistics

22. **Mr. Rendel:** To ask the Secretary of State for the Home Department if he will make a statement about current trends in *(a)* conviction rates and *(b)* crime rates. [53531]

Mr. Michael: The likelihood of an offender being convicted rose in 1997, and the use of cautions has declined. Comparing recorded crime with the number of defendants found guilty for indictable offences shows that in 1985 there was one defendant found guilty for every eight crimes. This rose to 18 crimes per defendant in 1993 but in 1997 dropped to 14 per defendant.

The latest Notifiable Offences Bulletin, covering April 1997 to March 1998, shows the fifth consecutive fall in crimes recorded by the police. This continuing downward trend is confirmed by the findings of the 1998 British Crime Survey, which gives a count of crime that includes crimes not reported to the police and those not recorded. This shows a fall between 1995 and 1997 in nearly all of the offence types it measures. This is the first time, since 1981, that the survey has recorded an overall fall.

Police Performance Rates

23. **Mr. Pollard:** To ask the Secretary of State for the Home Department what evaluation he undertakes of the relative performance of different police forces. [53532]

Mr. Michael: The Home Secretary considers the relative performance of different police forces by looking at their performance against his key policing objectives and the key performance indicators which support them, and against a wider range of performance indicators on which the Audit Commission, and Her Majesty's Inspectorate of Constabulary collect data.

The success of the police in reducing crime in their area, together with performance against local targets set within the Crime and Disorder Act 1998 will be of increasing importance.

HMIC reports to the Home Secretary on the efficiency and effectiveness of police forces in England and Wales. The Inspectorate's Thematic reports, which consider the performance of a range of police forces in matters of current and public interest, are of increasing importance and usefulness.

25. **Mr. Goggins:** To ask the Secretary of State for the Home Department if he will make a statement on the measures he uses to monitor and assess the performance of police authorities. [53534]

Mr. Michael: The current structure of police authorities was introduced by the previous Government in 1995. There is no formal provision for monitoring and assessing the overall performance of police authorities, but I meet the Association of Police Authorities regularly to discuss such issues. The performance of police forces themselves is monitored by a number of methods, including Audit Commission and Inspectorate of Constabulary indicators and formal inspections. The Government intend to introduce a statutory duty on local authorities to provide efficient, effective and high quality services to the public and to demonstrate that they are doing so. That duty will also apply to police authorities and will be in place from April 2000.

Crime Prevention

24. **Mr. Swayne:** To ask the Secretary of State for the Home Department if he will make a statement on the role of uniformed local authority patrols in crime prevention. [53533]

Mr. Michael: Intelligent use of patrol is an important part of the police function. Community schemes, including uniformed local authority patrols, can make a welcome contribution to community safety as a complement to, not a substitute for, the work of the police. Use of a distinctive uniform or dress code can help public confidence, provided it is recognised that the public must be able clearly to identify who is a uniformed constable and who is not.

Crime Detection

26. **Dr. Gibson:** To ask the Secretary of State for the Home Department what plans he has to promote DNA technology for crime detection. [53535]

Mr. Michael: The police are already making extensive use of DNA technology which is one of the biggest advances in solving crime. The Forensic Science Service leads the world in pioneering new DNA techniques and is working closely with the police to ensure that the technology is used effectively in crime detection. We are encouraging that work.

WRVS

27. **Mrs. Virginia Bottomley:** To ask the Secretary of State for the Home Department when he last met the chairman of the Women's Royal Voluntary Service to discuss its work. [53536]

Mr. Michael: I last met the Chairman and Members of the Council of the Women's Royal Voluntary Service (WRVS) on 26 June. My right hon. Friend and I are kept regularly informed of the work of WRVS by officials and I have used the opportunity of Volunteer Week to join WRVS volunteers in action as a way of recognising and celebrating their work.

Magistrates Courts

28. **Mr. Bob Russell:** To ask the Secretary of State for the Home Department what account he takes when allocating police funding of additional costs incurred following closures of magistrates courts. [53537]

Mr. Michael: Police funding is allocated by means of a needs-based formula which does not take into account the location or closure of magistrates' courts. To date, the police service has not sought to include such considerations as relevant factors in the funding formula. From time to time many police forces face additional costs which cannot be reflected in the formula. The Police and Magistrates' Courts Act 1994 placed on the Chief Constable the responsibility to determine the allocation of resources to meet the force's obligations, including any necessary adjustments to deployment as a result of changes in requirements for the attendance of officers at Court.

WPC Fletcher

29. **Mr. Dalyell:** To ask the Secretary of State for the Home Department what progress has been made by Scotland Yard in the case of the murder of WPC Fletcher, since the hon. Member for Linlithgow made an official visit to Assistant Commissioner David Veness. [53538]

Mr. Straw: The police review of the evidence surrounding the murder of Woman Police Constable Fletcher, which currently involves extensive overseas inquiries, is continuing. I understand from the Metropolitan Police that their inquiries are nearing completion. I expect to receive a report as soon as it is practicable after the police inquiries are completed.

Police (Greater Manchester)

30. **Mr. Brady:** To ask the Secretary of State for the Home Department if he will make a statement on resources available to police in Greater Manchester in the forthcoming financial year. [53539]

Mr. Michael: On 21 July 1998, *Official Report*, column 915, my right hon. Friend announced that the police service in England and Wales will receive an additional £1.24 billion over three years from 1999–2000. Our plans allow for police expenditure to increase by 2.65 per cent. next year. No final decisions have been taken about the allocation of funding to individual police authorities for 1999–2000. We expect to announce provisional allocations towards the end of the year.

Police Funding

31. **Mr. Sanders:** To ask the Secretary of State for the Home Department what consideration is given when allocating funding to the costs of policing areas of the country that attract seasonal inflows of temporary visitors; and if he will make a statement. [53540]

Mr. Michael: Police grant is allocated by means of a formula which predicts police authorities' relative need to spend. The formula takes account of both the resident and daytime population in a force's area. Daytime population comprises resident population, commuters, and estimates of the numbers of overnight visitors and day visitors.

Prison Education

32. **Mr. Boswell:** To ask the Secretary of State for the Home Department what steps he is taking to improve prison education. [53541]

Mr. George Howarth: The Prison Service has taken a number of steps to improve prison education. It has developed a new education policy to support the Government's wider policies aimed at improving basic and key skills. The new measures should achieve significant improvements in levels of literacy and numeracy among prisoners over the next three years.

Young Offenders

33. **Mr. Lansley:** To ask the Secretary of State for the Home Department what progress has been made in halving the time between arrest and sentencing for young offenders. [53543]

Mr. Michael: The Government have asked all youth courts to set up fast tracking schemes for persistent young offenders. In the last 12 months the number of fast track schemes has grown from 12 to 160 in operation or planned in England and Wales. The scheme for all young offenders in North Hampshire has shown what can be achieved by cutting the average time taken from arrest to sentence from an average of 133 days to 61 days. This month we have introduced new monitoring arrangements and set demanding performance targets for all stages of proceedings up to and after trial and for all agencies. The Crime and Disorder Act 1998 includes provisions to help courts to manage cases more quickly and effectively. Several measures, based on recommendations in the Narey review, are currently being piloted and the Act will enable statutory time limits to be set in cases involving young offenders.

Policing (Shire Counties)

34. **Mr. Hawkins:** To ask the Secretary of State for the Home Department what plans he has to provide greater resources for policing in shire counties. [53544]

Mr. Michael: Resources for the police are allocated by means of a needs-based formula. I have commissioned separate external research into the relative costs of policing sparsely populated rural areas and densely populated urban areas. The results of this research will be available by the time decisions are taken on the police funding settlement for 2000–01.

Police (Disciplinary Procedures)

35. **Mr. McNulty:** To ask the Secretary of State for the Home Department what recent discussions he has had about reforming police disciplinary procedures; and when he plans to implement changes. [53545]

Kate Hoey: I have regular discussions with the police staff associations and other interested parties. As my right hon. Friend announced to the House on 23 March 1998, *Official Report*, columns 21–36, new police discipline procedures will come into effect on 1 April 1999.

Asylum and Immigration

Mr. Gapes: To ask the Secretary of State for the Home Department how many asylum seekers who made an application in *(a)* 1990, *(b)* 1991, *(c)* 1992, *(d)* 1993, *(e)* 1994, *(f)* 1995, *(g)* 1996 and *(h)* 1997 are awaiting a decision on their application. [53525]

Mr. Mike O'Brien: A detailed breakdown of cases by year of application is not available. However, the estimated percentage figures for asylum applications awaiting an initial decision as at 31 August 1998, by year of application are:

Year	*Percentage*
Pre 1994	20
1994	10
1995	20
1996	10
1997	20
1998 (January to August)	20

The total number of applications was 56,020.

The estimates are rounded to the nearest 5 per cent.

Mr. Hancock: To ask the Secretary of State for the Home Department how many people have been granted political asylum in the UK in each of the last five years; and from which countries they came. [55812]

Mr. Mike O'Brien: Information regarding the numbers of asylum seekers who have been granted asylum, for each of the years 1989 to 1997, is given in table 3.1 of the Home Office statistical bulletin "Asylum Statistics United Kingdom 1997", issue 14/98. Information on the numbers of asylum seekers who were not recognised as refugees but granted exceptional leave is given in table 3.2 of the same bulletin, a copy of which is available in the Library.

The following table provides the same information for the period from January to September 1998.

Cases[1,2] recognised as refugees and granted asylum, excluding dependants, by nationality, January to September 1998

	Recognised as a refugee and granted asylum	*Not recognised as a refugee but granted exceptional leave*
Europe		
Bulgaria	—	—
Cyprus	—	—
Poland	*	*
Romania	*	*
Former USSR	5	10
Turkey	35	30
Former Yugoslavia	845	115
Others	*	—
Total	890	160
Americas		
Colombia	140	45
Others	—	*
Total	140	50
Middle East		
Iran	60	175
Iraq	345	330
Lebanon	—	5
Others	35	5
Total	440	515
Africa		
Algeria	270	15
Angola	*	55
Cameroon	10	5
Democratic Republic of Congo	10	395
Ethiopia	30	10
Gambia	10	*
Ghana	5	15
Ivory Coast	40	10
Kenya	*	5
Liberia	*	30
Nigeria	80	50
Rwanda	125	15
Sierra Leone	—	25
Somalia	1,865	365
South Africa	—	—
Sudan	40	*
Tanzania	*	5
Togo	10	*
Uganda	5	60
Zimbabwe	—	5
Others	200	100
Total	2,700	1,165
Asia		
Afghanistan	20	1,250
Bangladesh	*	—
China	*	0
India	*	25
Pakistan	5	10
Sri Lanka	50	5
Others	5	*
Total	85	1,300
Other and unknown nationalities	—	—
Grand total	4,250	3,190

[1] Information is of initial determination decisions, excluding the outcome appeals or other subsequent decisions
[2] Provisional figures rounded to nearest 5, with '*' = 1 or 2.

Mr. Clappison: To ask the Secretary of State for the Home Department (1) what estimate he has made of the amount of Immigration and Nationality Directorate casework which will be handled by the computer systems installed under his Department's contract with Siemens Business Services; [56184]

(2) pursuant to his answer of 30 July 1998, *Official Report*, column *387*, if he has received proposals from Siemens Business Services for computerisation plans for the Immigration and Nationality Directorate; and when he expects the computerisation to be implemented; [56239]

(3) pursuant to his answer of 7 May 1998, *Official Report*, column *452*, when the Parliamentary Under-Secretary of State, the hon. Member for North Warwickshire (Mr. O'Brien), intends to write to the hon. Member for Hertsmere on the casework programme system; [56240]

(4) pursuant to his answer of 30 July 1998, *Official Report*, column *387*, how long the pilot of working methods in the Integrated Casework Directorate is to last; and when the working methods will be implemented; [56238]

(5) pursuant to paragraph 8.9 of the White Paper, "Fairer, Faster, Firmer", what was the planned date for the implementation of the casework programme on 1 May 1997; and what is the present planned date for the implementation of the programme. [56183]

Mr. Mike O'Brien: I shall be writing to the hon. Member shortly.

Mr. Clappison: To ask the Secretary of State for the Home Department how many applications for asylum have been received from nationals of *(a)* the Czech Republic and *(b)* Slovakia in each of the last eight quarters for which figures are available. [56188]

Mr. Mike O'Brien: The requested information is given in the table.

Asylum applications[1] received in the United Kingdom, excluding dependants, Q4 1996 to Q3 1998[2], nationals of Slovakia and the Czech Republic

	Czech Republic	Slovakia
1996		
Qtr 4	15	25
1997		
Qtr 1	20	10
Qtr 2	25	35
Qtr 3	80	125
Qtr 4	120	120
1998		
Qtr 1	30	30
Qtr 2	85	60
Qtr 3	195	605

[1] Figures rounded to the nearest 5
[2] Provisional data

Mr. Burns: To ask the Secretary of State for the Home Department what action his Department will take to reduce the number of illegal asylum seekers entering the United Kingdom from ports of entry in Essex; and if his Department will provide financial assistance to Essex County Council Social Services Department to meet their costs in providing for these illegal immigrants. [55765]

Mr. Straw: The Government's White Paper "Fairer, Faster and Firmer—A Modern Approach to Immigration and Asylum", published on 27 July, outlines a number of measures designed to deal with the problem of illegal entry. We are liaising with the police forces most affected to ensure that those who come to light are dealt with properly. We are also working on a number of other operational measures to detect illegal entrants and process their cases more efficiently:

targeting illegal entrants in lorries before they reach the United Kingdom, liaising closely with ferry operators and our European partners;

high profile deterrent operations at ports of entry;

streamlined administrative procedures; and

better use of technology.

Local authority social services departments already receive special grants towards the cost of supporting asylum seekers under the National Assistance Act 1948 or the Children Act 1989. We are currently considering whether further assistance should be made available.

Mr. Gale: To ask the Secretary of State for the Home Department if he will publish the number of persons claiming asylum in the United Kingdom, for each month from May 1996 to September 1998. [56630]

Mr. Mike O'Brien: The information requested is given in the table.

Application[1] received for asylum in the United Kingdom, excluding dependants, by month, May 1996 to September 1998[2]

Month of Application	Total	Port	In Country
May 1996	1,755	740	1,010
June 1996	1,730	805	925
July 1996	2,515	835	1,680
August 1996	2,140	905	1,230
September 1996	2,185	1,205	980
October 1996	2,810	1,270	1,540
November 1996	2,450	1,180	1,270
December 1996	2,685	1,710	975
January 1997	2,715	1,210	1,505
February 1997	2,475	1,135	1,340
March 1997	2,160	1,210	950
April 1997	2,665	1,385	1,280
May 1997	2,590	1,365	1,230
June 1997	2,585	1,285	1,300
July 1997	3,070	1,545	1,525
August 1997	2,930	1,530	1,405
September 1997	2,850	1,345	1,505
October 1997	2,990	1,445	1,545
November 1997	2,345	1,265	1,080
December 1997	3,120	1,865	1,255
January 1998	2,860	1,605	1,255
February 1998	2,650	1,490	1,155
March 1998	3,200	1,555	1,640
April 1998	3,135	1,500	1,635
May 1998	3,110	1,465	1,645
June 1998	3,575	1,790	1,785
July 1998	4,215	1,940	2,275
August 1998	4,420	2,395	2,025
September 1998	4,455	2,585	1,870

[1] Figures rounded to the nearest 5
[2] Provisional data

Flona Mactaggart: To ask the Secretary of State for the Home Department what progress has been made on reducing the time taken in the administration of asylum claims; and if he will make a statement. [53511]

Mr. Straw: The average time taken to reach an initial decision in applications for asylum lodged in the United Kingdom was about 20 months during the period January to June 1998, compared with 23 months in July to December 1997. The average decision time for applications made after the Asylum and Immigration Appeals Act 1993 came into force was 13 months during the period January to June 1998. Our aim is to ensure that by April 2001 most initial asylum decisions will be made within two months of receipt and that most appeals to adjudicators will be heard within a further four months.

Police Manpower

Mr. Amess: To ask the Secretary of State for the Home Department what recent representations he has received on total police manpower. [53527]

Mr. Michael: My right hon. Friend receives representations from hon. Members and police authorities from time to time about police resources and manpower. Under legislation passed by the previous Government, it is for Chief Constables to determine the number of police officers in their force.

Immigration Holding Centres

Mr. Hancock: To ask the Secretary of State for the Home Department what visits have been made by the United Nations Working Group on Arbitrary Detentions to United Kingdom immigration holding centres in each of the last three years. [55810]

Mr. Mike O'Brien: The United Nations Working Group on Arbitrary Detention visited all our immigration detention and holding centres for the first time during the week commencing 21 September 1998.

Metropolitan Police (Civil Claims)

Mr. Mullin: To ask the Secretary of State for the Home Department how many Metropolitan Police officers have outstanding civil claims against their employer; how many were settled in each of the last five years; and at what cost. [55823]

Kate Hoey: The Commissioner tells me that civil claims from Metropolitan Police officers are not identified separately from those made by civil staff or the public. The specific information sought cannot therefore be provided without disproportionate effort and expenditure.

There are currently 64 Employment Tribunals (ET) brought by 53 police officers (6 of whom are no longer serving within the Metropolitan Police Service) claiming discrimination. The computerisation of these records did not begin until 1995 and therefore the first year of corporate data which is readily accessible is 1996.

The data that are available for ETs are shown:

Year	*Number of ET cases*	*Total settlement (£)*	*Typical settlement—in the region of: (£)*
1996	8	111,000	14,000
1997	8	49,000	6,000
1998[1]	6	38,000	6,500

[1] As at 23 October

Wheel Clamping

Mr. Mullin: To ask the Secretary of State for the Home Department what plans he has for regulating wheel clamping on private land; and if he will make a statement. [55827]

Mr. Michael: The Government intend to introduce regulation of wheelclamping on private land in the context of statutory measures to regulate the private security industry as a whole. We are committed to introducing statutory regulation of the private security industry as soon as we can but it will not be possible to bring forward early legislation, as we warned before the election. We are using this inevitable delay to work with the industry and others on the best way to provide a comprehensive, effective and streamlined system for the whole of the private security industry and we undertook a consultation exercise last year to inform this process. We are determined to develop practical proposals which protect the safety and rights of the public without introducing unnecessary bureaucracy. We hope to bring forward firm proposals later this year.

Fire Authorities (Strikes)

Mr. Bob Russell: To ask the Secretary of State for the Home Department how many fire authorities *(a)* have been and *(b)* have not been affected by strike action in the last five years; and, for each authority affected, how many days were lost in each of the last five years. [55797]

Mr. George Howarth: Of the fifty fire authorities in England and Wales, three—Merseyside, Derbyshire and Essex—have been affected by industrial action by firefighters in the last five years.

In Merseyside, between August 1995 and May 1996, there were 32 separate strike periods: one of 75 minutes, eight of nine hours and 23 of twenty four hours.

In Derbyshire, between June and September 1996, there were a total of 11 strike periods, each of nine hours.

In Essex, between April and May 1997, there were eight strike periods: two of four hours, one of nine hours, one of 15 hours, three of 24 hours and one of 39 hours.

In Essex, between June and September 1998, there were 28 strike periods: one of eight hours, five of nine hours, seven of 15 hours, 10 of 24 hours, two of 33 hours, two of 48 hours and one of 72 hours.

Criminal Record Checks

Mr. Sanders: To ask the Secretary of State for the Home Department how many police forces currently charge local and health authorities for criminal record checks. [55700]

Mr. Michael: Under administrative arrangements agreed between the Home Office and the Association of Chief Police Officers, criminal record checks conducted by the police for employment vetting purposes on those who work with children and young people are provided free of charge.

Separate and distinct arrangements exist under the Data Protection Act 1984 for individuals to apply to the police for a copy of any information which the police may hold on computers about them, including details of their criminal record. The police are under a statutory obligation to provide this information and, as permitted under the Act, charge £10 for each category of information the individual wishes to access.

Grant Settlements (Seasonal Population Influxes)

Mr. Sanders: To ask the Secretary of State for the Home Department if he will list those measures which reflect the additional costs from seasonal influxes of population contained within constabulary grant settlements; and if he will make a statement. [55701]

Mr. Michael: Police grant is allocated by means of a formula which predicts police authorities' relative need to spend. The formula takes account of both the resident and daytime population in a force's area as appropriate. Daytime population includes estimates of both overnight visitors and day visitors.

Open Government

Mr. John M. Taylor: To ask the Secretary of State for the Home Department if the information given in confidence at the times of the 1901–1991 decennial

censuses of population will be exempt from sections 14a and 14b of the Open Government Code of Practice on Access to Government Information. [55826]

Mr. Straw: The Code of Practice on Access to Government Information is non-statutory and cannot override statutory prohibitions on disclosure. Confidentiality of the information in decennial census returns prior to 1920 is governed by the Public Records Act 1958. Confidentiality of returns since 1920 are governed by the Census Act 1920, as amended by the Census (Confidentiality) Act 1991.

Mr. John M. Taylor: To ask the Secretary of State for the Home Department how many representations his Department has received from hon. Members since 1993 on section 9.21 of the Open Government White Paper; if he will publish the text of the explicit non-statutory assurances of 100-year closure given by the Registrar General on the forms for the 1901–1991 censuses; and if he will make a statement about section 9.21. [55825]

Mr. Straw: Paragraph 9.21 of the 1993 White Paper "Open Government" concerns the review of closure periods for records which are not released after 30 years and lists the decennial census of population as among the records to be closed for 100 years.

The 1997 White Paper "Your Right to Know", which set out the Government's plans for a Freedom of Information (FOI) Act, proposed that the criteria used in deciding whether records should be withheld for longer than 30 years should be aligned with the proposed harm and public interest tests governing access to current records. The position of decennial census returns is not expected to change under an FOI Act.

Since 1 August, when Ministerial responsibility for FOI transferred to the Home Office, I have not received representations on this matter from any other hon. Members. I believe that the Cabinet Office (Office of Public Service) had previously received three representations, including one from the hon. Member himself.

Confidentiality assurances were given on all of the 1901–1991 census forms. Explicit references to the 100 year rule appeared on the 1981 and 1991 census forms. The text of the confidentiality assurances for 1901–1991 were as follows:

1901

"The Return is required for carrying out the provisions of the Census Act. The contents of the Schedules will be treated as confidential; they will be published in General Abstract only, and strict care will be taken that the Returns are not used for the gratification of curiosity, or for other purposes than those of the Census".

1911

"The contents of the Schedule will be treated as strictly confidential".

The following also appeared on the reverse of the Schedule:

"The contents of the Schedule will be treated as confidential. Strict care will be taken that no information is disclosed with regard to individual persons. The returns are not to be used for proof of age, as in connection with Old Age Pensions, or for any other purpose than the preparation of Statistical Tables".

1921

"STRICTLY CONFIDENTIAL"

1931

No returns survive.

1941

No Census taken.

1951

"The contents of the schedule are strictly confidential".

The following also appeared on the reverse of the schedule:

"STRICTLY CONFIDENTIAL"

1961

"The contents of the schedule are strictly confidential".

The following also appeared on a separate sheet headed NOTES and EXAMPLES:

"CONFIDENTIALITY—No information about any individual person, family or dwelling, will be given to anyone not employed on the Census".

1971

"The information you give on the form will be treated as CONFIDENTIAL and used only for compiling statistics. No information about named individuals will be passed to any other Government Department or any other authority or person. If anyone in the census organisation improperly discloses information you provide, he will be liable to prosecution. Similarly you must not disclose information which anyone (for example, a visitor or boarder) gives you to enable you to complete the form".

1981

"Your replies will be treated in STRICT CONFIDENCE. They will be used to produce statistics but your name and address will not be fed into the census computer. After the census, the forms will be locked away for 100 years before they are passed to the Public Record Office".

1991

"Your answers will be treated in strict confidence and used only to produce statistics. Names and addresses will not be put into the computer; only the postcode will be entered. The forms will be kept securely within my office and treated as confidential for 100 years.

Anyone using or disclosing Census information improperly will be liable to prosecution. For example, it would be improper for you to pass on to someone else information which you has been given in confidence by a visitor to enable you to complete the Census form".

General Pinochet

Mr. Clappison: To ask the Secretary of State for the Home Department when he was notified of the presence of Augusto Pinochet in the United Kingdom during his present visit. [56235]

Mr. Straw: I first became aware of Senator Pinochet's presence in the United Kingdom from a newspaper report which I read on the afternoon of Thursday 15 October whilst on a flight between London Gatwick and Marseilles.

Mr. Clappison: To ask the Secretary of State for the Home Department what representations he has received concerning *(a)* the proposed extradition of Augusto Pinochet and *(b)* the presence of Augusto Pinochet in the United Kingdom; and when he received them. [56264]

Mr. Straw: Up to the end of 23 October, the Extradition Section at the Home Office had received 17 letters written prior to Senator Pinochet's arrest on 16 October concerning his presence in the United Kingdom and around 160 letters written after 16 October concerning the request for his extradition. Up to the same date I had received three letters from Members of Parliament, including one from the hon. Member. My Department has also received a number of telephone calls.

The Extradition Section received representations from Senator Pinochet's legal representatives on 21 October.

My Principal Private Secretary received a delegation of Chilean Members of Parliament on 20 October.

Arbitrary Detentions

Mr. Hancock: To ask the Secretary of State for the Home Department (1) what reports have been presented to him by the United Nations Working Group on Arbitrary Detentions; [56067]

(2) when, and for what purpose the United Nations Working Group on Arbitrary Detentions visited Haslar Immigration Holding Centre. [56060]

Mr. Mike O'Brien: The United Nations Working Group on Arbitrary Detention visited Haslar Holding Centre on 25 September 1998, as part of their routine inspection of the United Kingdom within the Working Group's remit.

No copy of any report has yet been received by the United Kingdom.

Immigration (Minors)

Mr. Kidney: To ask the Secretary of State for the Home Department what progress has been made in developing criteria for taking into account compassionate factors in immigration decisions affecting minors. [56069]

Mr. Mike O'Brien: We have been examining recent cases to see what criteria can be developed which could apply at every stage in the caseworking process. An analysis of these recent cases is continuing.

Under-age Drinking

Mr. Ainger: To ask the Secretary of State for the Home Department what representations he has received concerning links between under-age drinking and violent behaviour in town centres. [53522]

Mr. Michael: The public, police and councillors have all indicated that alcohol-related crime and disorder are a significant problem and involve underage drinkers.

We have implemented the Confiscation of Alcohol (Young Persons) Act 1997 and will legislate to clarify the law relating to adults who buy alcohol for children and to the use of children in test purchases. The Anti-Social Behaviour Order and other provisions in the Crime and Disorder Act 1998 will help with specific local problems.

The police and local authorities will be able to target local problems through the crime reduction strategies required by the Crime and Disorder Act.

Freedom of Information

Mr. Baker: To ask the Secretary of State for the Home Department if the timetable for the introduction of a Freedom of Information Bill set out by the former Chancellor of the Duchy of Lancaster remains unaltered. [56326]

Mr. Straw: In my letter of 29 September to my hon. Friend the Member for Cardiff, West (Mr. Morgan), a copy of which has been placed in the Library, I said that there was still a good deal of work to be done in translating the principles in the White Paper "Your Right to Know" into legislation. I have therefore increased resources devoted to this and set in hand a programme of work to deliver a draft Freedom of Information Bill early in the New Year.

Mr. Coaker: To ask the Secretary of State for the Home Department what plans he has to prepare for implementation of the proposed Freedom of Information Act. [57007]

Mr. Straw: A culture of greater openness will be crucial to the successful implementation of a Freedom of Information Act. Implementation of the Act will not be for Government alone but will need to be addressed by a wide variety of public authorities.

I am considering the best way of promoting cultural change, and I intend to set out proposals for delivering such a change in due course.

"Civil Protection"

Mr. Baker: To ask the Secretary of State for the Home Department how many copies of each edition of "Civil Protection" are produced; and at what cost to public funds. [56355]

Mr. George Howarth: 20,000 copies of each edition of "Civil Protection" are produced at a typical cost of £14,777, based on issue 43, Autumn 1997.

Data Protection

Mrs. Butler: To ask the Secretary of State for the Home Department when he expects to bring the Data Protection Act 1998 into force. [57008]

Mr. George Howarth: We hope to do so in the second quarter of next year.

The Data Protection Act 1998 received Royal Assent on 16 July, but substantial subordinate legislation will also be needed. We issued two consultation papers about this in August. There were more than 100 responses, which we are currently considering. We will announce a firm target date for implementation as soon as we can.

Meanwhile, users of automated personal data must continue to comply with the present Data Protection Act 1984. This includes registering new processing operations and applying for renewals when existing registrations expire.

When the new Act comes into force, processing which was already underway by 23 October 1998 will become subject to the transitional regime, which for automated data will end on 23 October 2001.

New processing, which had begun on or after 24 October this year, will become subject to the new regime as soon as it is brought into force. The Data Protection Registrar has sent me a copy of the introductory guide to the Act which she has just issued and which covers these matters. I am placing a copy in the Library.

London Fire Brigade (Pathfinder Project)

Dr. Cable: To ask the Secretary of State for the Home Department when his Department will determine the allocation of PFI credits to the pathfinder project in vehicle management for the London Fire Brigade. [56220]

Mr. George Howarth: My officials are currently in discussion with the London Fire and Civil Defence Authority about the scope and details of its proposed vehicle acquisition and management scheme. Providing the Authority comes forward with a viable and affordable scheme, which is acceptable to the Home Office, the Treasury Taskforce and the Project Review Group, I would then expect to make available supporting Private Finance Initiative credits.

Common Market Referendum

Sir Richard Body: To ask the Secretary of State for the Home Department what representations he has received concerning the preservation from destruction of material held by the security forces relating to the 1975 referendum on United Kingdom membership of the Common Market. [55326]

Mr. Straw: I have received no representations concerning the preservation of such material.

Metropolitan Police (Dogs)

Mr. Cohen: To ask the Secretary of State for the Home Department if he will investigate the treatment of dogs by the Metropolitan Police; and if he will make a statement. [56369]

Kate Hoey: I see no need to do so. The Commissioner of Police of the Metropolis tells me that the training, care and licensing of dogs in the Metropolitan Police accord strictly with the Association of Chief Police Officers (Police Dog Sub-Committee) training and care manual. The Dog Training Establishment at Keston provides the relevant training for the Metropolitan Police. The Establishment has an open house policy and visitors are welcome, by appointment. In the past few weeks, for example, the Centre has accommodated visitors from the Canine Defence League and the RSPCA, together with over 20 civilian instructors from local dog training clubs. The operational use of police dogs is managed by local inspectors and sergeants.

Neuroleptic Drugs

Mr. Flynn: To ask the Secretary of State for the Home Department how many prescriptions for neuroleptic drugs were issued in each prison with women inmates in each of the past three years. [55682]

Mr. George Howarth: Details about prescriptions issued are not available in a form that could be used to provide the information sought and could be obtained only at a disproportionate cost.

The Prison Service recognises that many women received into custody have complex medical histories and have very often already been prescribed neuroleptic drugs. A Prison Service health care standard on the use of medicines makes it clear that medication will be prescribed only for clinical reasons and in line with the recommendation in the 1996 report from the Advisory Council on the Misuse of Drugs. Efforts are being made to reduce the prescribing of major and minor tranquillisers and neuroleptic drugs except where their use is clinically essential. Increasing collaboration with NHS specialist psychiatric services is bringing prescribing in prisons under the influence of NHS consultant psychiatrists. Concern about prescribing levels in prisons will continue to be addressed through improved monitoring of health care standards.

Child Safety

Mr. Gale: To ask the Secretary of State for the Home Department, pursuant to his answer of 4 June 1998, *Official Report,* columns *304–05,* to the hon. Member for Warrington, North (Helen Jones) if he will list the members of the working party on safeguards for children; what the working party's terms of reference are; and how he intends that it should solicit the views of interested parties. [56367]

Mr. Michael: The Interdepartmental Working Group on Preventing Unsuitable People from Working with Children and Abuse of Trust includes officials from the following Departments and organisations who attend or receive papers:

Home Office, including the Prison Service
Department for Education and Employment
Department of Health
Department for Culture, Media and Sport
Department of the Environment, Transport and the Regions
Cabinet Office
Welsh Office
Ministry of Defence
Lord Chancellor's Department
Department of Trade and Industry
Charity Commission
Crown Prosecution Service
Association of Chief Police Officers
National Health Service Executive

Officials from the Scottish Office, Northern Ireland Office and Northern Ireland Department for Health and Social Security also attend the meetings.

The group's terms of reference are:

"To consider additional safeguards to prevent those who are unsuitable from working with children in the public, private and voluntary sectors in England and Wales, including the possibility of a central register backed up by a new criminal offence to prevent those on the list applying for work with children; to consider further measures to protect 16 and 17 year olds in England and Wales who may be vulnerable to abuse by those in a position of trust in the public, private and voluntary sectors, including a possible new criminal offence; and to make recommendations.

In undertaking this work, the Working Group will draw on the consultation exercise "Sex Offenders: a Ban on Working with Children"; on recommendations made in the report of Sir William Utting's review of safeguards for children living away from home and the Government's response to this review; and on existing safeguards.

In establishing a framework for protecting children, the working group will also bear in mind the need to protect vulnerable adults, with a view to the subsequent extension of safeguards to this wider group."

The Working Group conducted a consultation exercise in August which asked organisations with an interest in this area for their views on the issues involved. It also plans to hold two seminars at the end of November with some of these organisations to look further at a range of issues.

Mr. Gale: To ask the Secretary of State for the Home Department, pursuant to his answer to the hon. Member for Warrington, North (Helen Jones) of 4 June 1998,

Official Report, column *305*, when the Ministerial Task Force on the Children's Safeguards Review will publish its response to the consultation exercise, Sex Offenders: A Ban on Working with Children, and to Sir William Utting's review on safeguards for children living away from home with particular reference to those recommendations dealing with choosing the right staff. [56657]

Mr. Michael: The Ministerial Task Force on the Children's Safeguards Review will publish its response to that review shortly. A separate interdepartmental working group of officials is looking at additional safeguards to prevent those who are unsuitable from working with children. This group has specifically been asked to draw on the consultation exercise "Sex Offenders: A Ban on Working with Children" and on the recommendations in Sir William Utting's report, especially those dealing with choosing the right staff. Its report is due by the end of the year.

Immigration Appeals

Mr. Loughton: To ask the Secretary of State for the Home Department what guidelines have been issued by his Department to the Court Service of the Immigration Appellate Authority for receipt of appeal papers from his Department's officials after the 14 day deadline period. [56643]

Mr. Mike O'Brien: The Home Office has issued no guidance to the Immigration Appellate Authority about arrangements for dealing with appeals received outside the 14 day time limit for appealing.

The Lord Chancellor's Department is responsible for the administration of the Immigration Appellate Authority.

Mr. Loughton: To ask the Secretary of State for the Home Department how many of his Department's appeals to the Immigration Appellate Authority have been accepted after expiry of the 14 day appeal period. [56644]

Mr. Mike O'Brien: I regret that information regarding the number of Home Office appeals accepted by the Immigration Appellate Authority after the expiry of the 14 day appeal period is unavailable as its collection would involve disproportionate cost.

Parking Spaces (Disabled People)

Mr. Oaten: To ask the Secretary of State for the Home Department how many people were fined for misuse of orange badge parking spaces in the United Kingdom in 1997. [56632]

Mr. Michael: The information requested is not available. Prosecutions and fines for orange badge (disabled) parking space infringements cannot be separately identified in the statistics of other waiting and parking offences held centrally, nor is it likely that the police or the courts would be able to identify them separately.

Victims of Crime

Mrs. Ewing: To ask the Secretary of State for the Home Department what changes his Department has made to *(a)* the amount of information available to, and *(b)* the protection by law for, victims of crime and vulnerable witnesses since May 1997. [54998]

Mr. Michael: We have revised the Victims of Crime leaflet, which the police hand out routinely to victims; the Witness in Court leaflet for all those called to give evidence in court; and the Information Pack for the Families of Homicide Victims. In November 1997, we issued a new leaflet called Release of Prisoners: Information for Victims of Serious Sexual or Other Violent Offences, which explains the role of the Probation Service in working with victims when a serious offender has been given a prison sentence of four years or more. The steering group overseeing revision of the Child Witness Pack, relaunched as the Young Witness Pack in June this year, was chaired by an official from the Home Office. The pack is a jointly funded initiative by Government Department, the NSPCC and Childline for use in the preparation for court of young witnesses aged 5 to 17.

The Sex Offenders Act 1997 provides a mechanism to help protect children and vulnerable adults from convicted sex offenders. It requires such offenders to register their current name and address with the police and to inform the police of any change of address or change of name. Home Office guidance has made it clear that this information is not to be left to gather dust on a file but to be used for the protection of children and vulnerable adults. The Association of Chief Police Officers and the Association of Chief Officers of Probation have co-operated with other agencies to develop best practice following the implementation of the Act. As well as acting as a deterrent to the offender and allowing appropriate measures to be put in place, registration under the Act allows the police to be informed when a sex offender moves into their area and to take appropriate steps to protect vulnerable people as necessary.

The Sex Offender Order is intended to protect the public from a convicted sex offender, however far in the past his conviction took place, if there is current concern about a danger he may pose to the public, in particular children or vulnerable adults. A court may make an order against such an offender which would contain prohibitions which he has to observe in order to prevent the likelihood of him committing offences in the future. An order also comes with it the requirement to register under the Sex Offenders Act 1997.

In June 1997 we established an inter departmental Working Group to examine the treatment of vulnerable or intimidated witnesses, including victims, in the criminal justice system. The report of the Working Group on Vulnerable or Intimidated Witnesses, Speaking up for Justice, was published for consultation by my right hon. Friend on 10 June. The consultation exercise has now been completed and we are urgently considering the responses. We are determined to take action as quickly as possible, in light of the consultation exercise, to improve the way vulnerable or intimidated witnesses are treated in the criminal justice system.

Animal Welfare (Radioactivity Tests)

Mr. Llew Smith: To ask the Secretary of State for the Home Department for what reasons files covering *(a)* the effects of radioactivity tests on animals, *(b)* the accident

at Windscale in 1957 and *(c)* the accident at the Atomic Weapons Establishment at Aldermaston in 1959 have been withheld from release at the Public Record Office; and what system his Department has for reviewing decisions not to release individual files. [55422]

Mr. George Howarth: We can trace no relevant records in the Home Office. Under the Animals (Scientific Procedures) Act 1986, we regulate the individual researcher, the establishment in which the work is conducted, and each research project. Under the Cruelty to Animals Act 1876 which operated in the 1950s, however, only individuals and not specific projects had to be authorised. We are unable therefore to trace any information concerning the nature of work performed at that time.

It is possible that the work on radioactivity was supported by one of the Research Councils. If this is the case, the Office of Science and Technology will need more specific information in order to mount a successful search. The files of Research Councils, like those of Government Departments, are subject to the code of practice on Access to Government Information which came into effect on 4 April 1994. To the best of my knowledge, all files belonging to the Department of Trade and Industry relating to the accident at Windscale have been released to the Public Record Office.

The Department of Trade and Industry currently retains one file from 1959 relating to the accident at Aldermaston. In accordance with normal records review procedures, the Department of Trade and Industry is currently reviewing the sensitivity of this file.

File 26–2-59 EG1/173, on the accident at Aldermaston, has been located. It will be reviewed to see if it is possible to release either the entire file, or any of its contents, at this time. My right hon. Friend the Secretary of State for Defence will write to my hon. Friend once the process has been completed.

EDUCATION AND EMPLOYMENT

Access to Work Scheme

Mr. Oaten: To ask the Secretary of State for Education and Employment if he will publish the 1997 budget for the access to work scheme, indicating how much of the budget was used in that year. [56287]

Mr. Andrew Smith: Responsibility for the subject of the question has been delegated to the Employment Service agency under its Chief Executive. I have asked him to arrange for a reply to be given.

Letter from Leigh Lewis to Mr. Mark Oaten, dated October 1998:

As the Employment Service is an Executive Agency, the Minister of State has asked me to reply direct to your question asking him to publish the 1997 Access to Work budget indicating how much of the budget was used. This is something which falls within the responsibilities delegated to me as Chief Executive of the Agency.

Expenditure on Access to Work in 1997–98 was £15.357m out of a budget for the programme of £19m.

I hope this is helpful.

Northern Telecom Redundancies (Paignton)

Mr. Sanders: To ask the Secretary of State for Education and Employment what assistance his Department has given to efforts to minimise the effects of the redundancies at the Northern Telecom proximity 1 plant in Paignton, South Devon. [55702]

Mr. Andrew Smith: The Department has granted Nortel Large Scale Redundancy Status. This means employees made redundant by the company will benefit from immediate assistance by the newly established Rapid Response team for South Devon, that will include instant access to Employment Service job search programmes and training offered by PROSPER (formerly the Devon and Cornwall Training and Enterprise Council and Business Link).

The Government Office for the South West, Employment Service, PROSPER, Devon and Cornwall Development International and Torbay Council have also combined to form a local task force which is working closely with the company, to consider what further collective action needs to be taken to help the company, its employees and the local community deal with the impact of the closure.

Higher Education (Pay)

Dr. Iddon: To ask the Secretary of State for Education and Employment what recommendations his Department has submitted to the Independent Review of Higher Education Pay and Conditions. [55742]

Mr. Mudie: The Department submitted evidence jointly with other interested Departments to the Committee on 30 June. This offered general principles covering the need for pay settlements to be affordable by higher education institutions as employers and for pay levels and structures to recognise the importance of improving the quality of teaching in higher education.

Dr. Iddon: To ask the Secretary of State for Education and Employment if he will assess the advantages of establishing an independent pay review body for members of the Institute for Learning and Teaching in Higher Education. [55743]

Mr. Mudie: The arguments for and against setting up a standing pay review body for academic staff were considered by the National Committee of Inquiry into Higher Education. In the light of its report, the future framework for determining pay and conditions of service for all staff in higher education is currently under consideration by the Independent Review of Higher Education Pay and Conditions, which will no doubt take into account the implications of the establishment by the sector of the Institute for Learning and Teaching in Higher Education.

Dance and Drama

Mr. Luff: To ask the Secretary of State for Education and Employment if he will make it his policy, in reaching

conclusions on the future funding arrangements for dance and drama training, to ensure that centres of excellence are maintained both in London and in the regions of the United Kingdom. [56415]

Mr. Mudie: Ministers from DfEE and DCMS will consider proposals for the future funding of dance and drama training in November and will then decide on future policy.

Mr. Luff: To ask the Secretary of State for Education and Employment when he expects to reach conclusions on the future funding of dance and drama training; and if he will make a statement. [56416]

Mr. Mudie: Ministers in DfEE and DCMS look forward to receiving proposals for a new scheme for Dance and Drama training in November, following which decisions on the new scheme will be announced.

Mr. Luff: To ask the Secretary of State for Education and Employment what assessment he has made of the Arts Council report "Fitness for Purpose" by Edward Birk on the provision of dance and drama training; and if he will make a statement. [56414]

Mr. Mudie: My right hon. Friend the Secretary of State for Education and Employment notes the Arts Council's report "Fitness for Purpose", which is being considered along with other information and advice in developing new arrangements for dance and drama training.

Further and Higher Education

Mr. Chaytor: To ask the Secretary of State for Education and Employment how many students progressed from HND to degree courses in 1997–98 in *(a)* further education institutions and *(b)* higher education institutions. [55661]

Mr. Mudie *[holding answer 19 October 1998]:* The latest figures for higher education institutions (HEIs) show that in 1997–98 there were 13,453 students beginning full and part-time first degree courses in England whose highest previous qualification was an HND or HNC. The latest figures for further education institutions (FEIs) in England are for 1995–96 and show that there were 19 entrants to first degree courses whose highest qualification was an HND. Figures are not readily available for the proportions of these previously obtained HNDs/HNCs which were obtained in FE as opposed to HE institutions.

The figures may also be incomplete as those students on HND courses who switch directly to degree courses in the same institution may not always have their highest entry qualification updated accordingly.

The figures for HEIs include students who took a break in their study as well as those who proceeded directly from an HND to a degree. In addition, the HEI figures will include some first degree courses which have been franchised out to FEIs, but it is not possible to identify these separately.

HEALTH

Pharmaceutical Price Regulation Scheme

Mrs. Ellman: To ask the Secretary of State for Health what progress is being made on the re-negotiation of the Pharmaceutical Price Regulation scheme; and if he will make a statement. [55620]

Mr. Milburn: We are currently holding discussions with the Association of the British Pharmaceutical Industry, the trade association for the pharmaceutical industry, about the future of the Pharmaceutical Price Regulation Scheme—the system for regulating the prices of branded prescription medicines supplied to the National Health Service.

We are not proposing to make any detailed statement about changes to the PPRS until those discussions have been concluded, and until a decision about the future has been taken.

Mrs. Ellman: To ask the Secretary of State for Health if he will make a statement on the purchasing policies of NHS hospitals in relation to drugs and the pricing policies of drugs companies in supplying NHS hospitals. [55624]

Mr. Milburn: As well as purchasing medicines on an individual basis, National Health Service hospitals in England pool their purchasing power, through geographical pharmacy contracting and purchasing groups, to meet their medicines requirements by competitive tender. For the most part, these arrangements are maintained and serviced by the NHS Supplies Authority.

The prices of branded prescription medicines are also indirectly controlled by the Pharmaceutical Price Regulation Scheme which regulates the overall profits which companies can make from the sales of medicines to the NHS.

Mrs. Ellman: To ask the Secretary of State for Health what plans he has to investigate the practice of companies which produce branded drugs subject to price controls selling on those drugs to new companies which are exempt from such controls. [55622]

Mr. Milburn: The Pharmaceutical Price Regulation Scheme (PPRS) applies to all companies which sell branded prescription medicines to the National Health Service. It requires that any price increases should be agreed with the Department of Health. This includes any price change to a product on or subsequent to acquisition by another company and applies to all companies regardless of size.

In some recent cases, increases took place without the Department's agreement, and these are being investigated.

The current PPRS is being reviewed, and we are determined that a new scheme should ensure full compliance.

Mrs. Ellman: To ask the Secretary of State for Health what proportion of NHS drugs spending was attributable to *(a)* branded drugs, *(b)* branded drugs which are subject to PPRS and *(c)* generic drugs, and what were the actual amounts spent in each of these areas, in each of the last five years for which the information is available. [55621]

Mr. Milburn: The information requested is given in the table.

The net ingredient cost and the proportion of the total net ingredient cost of branded and generic drugs dispensed in the community, 1993 to 1997

England

Year	Net ingredient cost (£ million) Branded drugs	Generic drugs	% Branded of total	% Generic of total
1993	2,631.0	341.6	88.5	11.5
1994	2,723.8	478.3	85.1	14.9
1995	2,882.4	584.9	83.1	16.9
1996	3,120.1	660.5	82.5	17.5
1997	3,234.1	896.7	78.3	21.7

Notes:

1. All licensed branded drugs, including branded generics, are subject to the pharmaceutical price regulation scheme. Branded generics are included in the data for branded drugs
2. The data are from the prescription cost analysis system and cover all prescriptions for drugs dispensed in the community (excludes dressings and appliances), i.e. by community pharmacists, dispensing doctors, and personal administration. The classification of drugs is based on the class of drug for which the contractor is reimbursed.
3. The net ingredient cost refers to the cost of the drug before discounts and does not include any dispensing costs or fees. It does not include any adjustment for income obtained where a prescription charge is paid at the time the prescription is dispensed or where the patient has purchased a pre-payment certificate.

3M Healthcare

Mr. Hammond: To ask the Secretary of State for Health what discussions he has held with 3M Healthcare regarding replacement of faulty prostheses; what offers the company made to provide such replacements at its expense in the private sector; and what response he made to such offers. [55473]

Mr. Boateng: My right hon. Friend the Secretary of State met representatives from 3M Healthcare on 20 February 1998 and there have been regular meetings between Departmental officials and 3M Health Care since. We have welcomed and accepted a proposal from 3M Healthcare to meet the entire costs of identifying and reviewing all patients who had been implanted with a capital hip, as well as the cost of any necessary revision surgery on account of femoral loosening. Patients may choose whether to receive care in the National Health Service or the private sector, with 3M Healthcare meeting the costs in either case.

Telephone Emergency System (Improper Use)

Mr. Mitchell: To ask the Secretary of State for Health what plans he has for a national scheme of penalties for improper use of the 999 emergency system, with special reference to possible criteria for an indictable offence. [55689]

Mr. Milburn: The Telecommunications Act 1984 already covers improper use of the public telephone system, including improper use of the 999 emergency system. Those convicted of using the public telecommunication system to send messages known to be false are liable to a maximum penalty of 6 months' imprisonment and/or a fine not exceeding £5,000. There are no plans to introduce an additional national scheme of penalties.

Parkinson's Disease

Mr. Gareth R. Thomas: To ask the Secretary of State for Health what research his Department is currently funding into the treatment and causes of Parkinson's Disease. [55782]

Ms Jowell: The Medical Research Council (MRC) spent £55.8 million during 1997/98 on neurosciences and mental health research, £2.9 million of which was spent on projects directly related to Parkinson's disease and neuro regeneration.

Through funds managed by the Department, work is currently being commissioned on: 'New Drugs for Parkinson's Disease' and 'Systematic reviews of paramedic therapies in Parkinson's Disease'.

Additionally the following projects have been supported recently:

Evaluation of a pilot targeted physiotherapy service for people with Parkinson's disease from diagnosis to end stage;

outreach management of people with chronic neurological disability; and

screening people with Parkinson's disease to identify those at risk of falling at Southampton University.

Heart Disease

Mr. Waterson: To ask the Secretary of State for Health what measures he is taking to promote awareness of cardiac risk in the young; and if he will make a statement. [55829]

Mr. Boateng: The British Cardiac Society are currently working with other organisations on the production of clinical guidelines on the management of cardiomyopathy and other similar conditions which affect young people. The guidance will be disseminated widely to increase awareness amongst general practitioners and other professionals involved in identifying, treating and caring for patients with cardiac conditions.

Child Migrants

Mr. Sanders: To ask the Secretary of State for Health if he will make a statement about his Department's response to the recommendations contained in the Health Committee's Third Report of 1997–98 on the Welfare of Former British Child Migrants (HC 755). [55698]

Mr. Boateng: The Department is carefully considering the recommendations in the Report, and examining the legal, financial and other issues which they raise. We will publish our response shortly.

Health Authority Grant Settlements

Mr. Sanders: To ask the Secretary of State for Health if he will list those measures which reflect the additional costs from seasonal influxes of population contained within health authority grant settlements; and if he will make a statement. [55710]

Mr. Milburn: Apart from the marginal costs of initial accident and emergency treatment, all other hospital costs incurred by United Kingdom visitors are paid for by the health authority where the patient usually lives.

The costs of treating charge exempt overseas visitors are met centrally.

Hospital Waiting Lists (Cardiac Surgery)

Dr. Lynne Jones: To ask the Secretary of State for Health what is the current waiting time for urgent cardiac surgery broken down by health authority area; how many people in each area are waiting for cardiac surgery; and what proportion is considered to be in urgent need. [56024]

Mr. Boateng: Information on the number of residents of each English health authority waiting for hospital admission by specialty, including cardiothoracic surgery and cardiology, is published quarterly in *Hospital Waiting List Statistics: England (Resident Based)*, copies of which are available in the Library. Decisions about the urgency with which patients need to be treated are taken locally by individual clinicians.

Breast Feeding

Dr. Lynne Jones: To ask the Secretary of State for Health what proportion of *(a)* midwives and *(b)* health visitors have received accredited training in the teaching of breast feeding. [56019]

Mr. Milburn: All education programmes approved by the English National Board for Nursing, Midwifery and Health Visiting leading to registration as a midwife or health visitor include the teaching of principles concerned with breast feeding and infant nutrition.

ENT Departments

Mr. Hancock: To ask the Secretary of State for Health how many associate specialist posts have been created in ENT departments in each of the last five years. [55811]

Mr. Milburn: Information about the number of associate specialist posts created each year is not collected centrally. Information about the number of associate specialists in otolaryngology (Ear, Nose and Throat), on 30 September in each of the last five years for which data are available, is shown in the table.

Number of associate specialists in otolaryngology (ENT) in the National Health Service in England as at 30 September (whole time equivalents)

Year	*Wte*
1991	30
1992	30
1993	30
1994	40
1995	40
1996	50

Note:
Figures are rounded to the nearest 10.
Source:
The Department of Health Medical and Dental Workforce Census

Breast Screening

Mr. Flynn: To ask the Secretary of State for Health what advice the National Screening Committee has given regarding the extension of the breast cancer screening programme to women aged 65 years and over; and if he will make a statement. [55791]

Mr. Boateng: The National Screening Committee considered the possible extension of the breast screening programme to women over the age of 65 on 22 July 1998. Their view was that the first priority must be to ensure that the existing programme can maintain a three year screening for all women.

The Committee acknowledged the promising nature of the interim results of the pilot studies for extending the screening programme to older women, and the evidence in favour of the introduction of two views at all screens. The Committee also recognised that any national roll-out of these extensions would require additional staff in an area where recruitment is becoming less easy.

In anticipation that the final results of the three pilot studies bear out the interim results, the Committee recommended that new arrangements need to be identified to address the workforce pressures on the breast screening programme. Discussions are being held with the relevant professional bodies and those involved in the screening programme to identify solutions to meet these pressures.

Mr. Collins: To ask the Secretary of State for Health what targets are in place for the maximum period between performance of a radiogram and discussion of the result with the patient affected; and if he will make a statement. [56476]

Mr. Boateng: Women aged 50 to 64 are invited for mammograms routinely every three years as part of the breast screening programme. National Health Service Breast Screening Programme guidance states that women should receive their results within two weeks. Where further investigation is necessary, women should be invited to attend a breast screening assessment centre within three weeks of the mammogram being performed.

Mammograms are also taken as part of the diagnosis of cancer in women with suspected breast cancer. The evidence based guidance *Improving Outcomes in Breast Cancer* published in July 1996 recommends that the results of the tests should be given to the patient within five working days.

The Government recognise the high levels of anxiety that patients can experience when waiting for diagnosis and treatment of cancer and have made available £10 million to ensure prompt access to diagnosis and high quality care for those with breast cancer. This has been used to support over 300 projects across the country, including the introduction of 'one-stop' breast clinics where women can undergo all necessary tests (including mammograms) for diagnosis of cancer at one visit and receive their results in line with published guidance.

Insulin-dependent Diabetics

Mr. Sanders: To ask the Secretary of State for Health (1) when he expects to conclude his consideration of making pen needles available on the NHS for insulin dependent diabetics; [55711]

(2) if he will make a statement about the availability of needles for diabetic pen injection systems through the NHS. [55712]

Mr. Milburn: My right hon. Friend the Secretary of State expects to make a decision shortly.

Drug Treatments

Dr. Gibson: To ask the Secretary of State for Health what measures he intends to use to remove inequalities based on geographical areas in the prescribing of drug treatments for life-threatening conditions. [56042]

Mr. Milburn: Our plans to address unacceptable variations in services are set out in the quality consultation document "A First Class Service". We will work with the professions to produce national service frameworks relevant to the whole of the National Health Service. The National Institute for Clinical Excellence will assess new and existing interventions for their clinical and cost-effectiveness and produce and disseminate guidance to support frontline staff. We will challenge and address unacceptable variations in the provision of clinically and cost-effective treatments which are not based on the health needs of local people. We intend to establish a new statutory body, the Commission for Health Improvement, which will provide an independent assessment of local action to improve quality and national implementation of service standards.

Comprehensive Spending Review

Mr. Willis: To ask the Secretary of State for Health how much of the additional resources allocated to the National Health Service under the Comprehensive Spending Review is being *(a)* allocated to health authorities in England and Wales and *(b)* retained by the Government for distribution centrally. [56210]

Mr. Milburn: An announcement on health authority allocations will be made shortly.

Information regarding Wales is a matter for my right hon. Friend the Secretary of State for Wales.

Asylum Seekers

Mr. Burns: To ask the Secretary of State for Health what financial assistance his Department will make available to Essex County Country Social Services Department to help them meet the costs arising from bogus asylum seekers from *(a)* Kosovo, *(b)* Somalia and *(c)* Sri Lanka who enter the United Kingdom at ports of entry in Essex. [55764]

Mr. Boateng: People who claim asylum at a port of entry into the country are entitled to receive social security benefits, whilst those who claim asylum once in the country are not thus entitled. There are three grants against which local authorities may submit claims for reimbursement to help them meet the costs of supporting asylum-seekers who claim asylum whilst in the country: the Asylum Seeking Adults Grant, the Persons From Abroad Children's Grant and the Unaccompanied Asylum-Seeking Children's Grant. We will set out the terms of the grants later this year. These grants are not payable in respect of those who have been refused asylum, and have exhausted their right to appeal.

We have set out our plans to change the cumbersome immigration and asylum process we inherited from the previous Government in the White Paper "Fairer, Faster and Firmer—A Modern Approach to Immigration and Asylum". These proposals will speed up the process, while ensuring greater fairness, so that genuine asylum seekers will receive a speedy and humane response, and those not entitled to asylum will be removed from the country more quickly. The support grants, and the White Paper proposals apply equally to all asylum seekers, regardless of country of origin.

Mumps, Measles and Rubella Vaccination

Dr. Lynne Jones: To ask the Secretary of State for Health what assessment he has made of the alleged association between the administration of MMR vaccine and inflammatory bowel disease. [56370]

Ms Jowell: The effects of mumps, measles and rubella (MMR) immunisation have been carefully examined by two groups of independent experts: the Joint Committee on Vaccination and Immunisation and the Committee on Safety of Medicines. In addition, following the publicity about possible adverse reactions to MMR, a group of 37 independent experts was convened by the Medical Research Council on 23 March under the chairmanship of Professor Sir John Pattison. The group examined published and unpublished research into a suggested association between MMR vaccine and inflammatory disease (Crohn's disease) and autism. The [illegible]endent experts concluded:

> The available virological and epidemiological evidence does not support a causal role for persistent measles virus infection in Crohn's disease.
>
> There is no evidence to indicate any link between MMR vaccination and bowel disease or autism.
>
> There is therefore no reason for a change in the current MMR vaccination policy.

Autism

Dr. Lynne Jones: To ask the Secretary of State for Health what information he has collated on changes in the number of children diagnosed with autism over the past 10 years. [56371]

Mr. Boateng: Information about the number of children diagnosed with autism is not held centrally. It would be difficult to collect meaningful information because of the lack of a widely agreed definition of autism. There is some anecdotal evidence of increased numbers of children diagnosed with autistic spectrum disorders. This is generally thought to be the result of more accurate diagnosis. It is for the local statutory authorities to determine the needs of children with autism in their area and work together effectively to ensure that these needs are met.

Medical Records

Mr. Loughton: To ask the Secretary of State for Health what plans he has to cap the charges for access to medical records after changes to the Data Protection Act 1998. [56641]

Mr. Milburn: The Department is currently discussing with the Home Office the subordinate legislation needed to implement the Data Protection Act 1998, including the subject access modification order which will regulate charging for access to medical records. It is too early to say what the final charging regime will be.

Mr. Loughton: To ask the Secretary of State for Health what estimates his Department has made of the effect on the number of patients seeking access to their medical records of the provisions of the Data Protection Act 1998. [56640]

Mr. Milburn: The provisions for patient access to medical records will be contained within subordinate legislation which has not yet been finalised. However, the intention is to replicate, as closely as the Data Protection Act 1998 will allow, the existing provisions for access and the Department is aware of no evidence to suggest that the level of applications from individuals will change significantly once the new legislation is in force.

SCOTLAND

Salmon and Trout

Mr. William Ross: To ask the Secretary of State for Scotland if he will list the number and total weight of *(a)* salmon and *(b)* grilse taken by (i) anglers and (ii) commercial nets in (1) drift and (2) estuary nets for each of the last five years and for 1985, 1980 and 1975 or as much of such information as is readily available; and if he will provide the same information for fish classed (x) 1 sea winter, (y) 2 sea winter and (z) 3 sea winter fish. [55567]

Mr. Macdonald: The information is set out in the table. Drift netting has been prohibited in Scotland since 1962. Data on sea ages of salmon are classified as either one sea winter (1SW)(grilse) or multi sea winter (MSW)(salmon). The split between grilse and salmon by the fishermen is usually made on the basis of weight and may become more inaccurate as the fishing season advances.

	Rod and line				*Net and coble*				*Fixed engine*			
		1SW		*MSW*		*1SW*		*MSW*		*1SW*		*MSW*
Year	*Number*	*Weight*	*Number*	*Weight*	*Number*	*Weight*	*Number*	*Weight*	*Number*	*Weight*	*Number*	*Weight*
1975	7,231	19	61,021	281	94,463	266	86,559	437	120,670	329	60,398	289
1980	11,167	25	59,337	269	47,157	110	59,118	308	63,117	148	54,133	274
1985	17,649	42	58,441	246	55,348	139	26,685	133	85,015	218	29,522	136
1993	28,176	68	51,301	216	23,201	56	9,798	52	43,140	103	10,627	53
1994	23,820	57	53,007	229	16,776	43	13,354	66	58,054	146	18,392	102
	[1]1,534	[1]8	[1]5,061	[1]50	—	—	—	—	—	—	—	—
1995	22,803	55	51,186	227	20,735	53	10,777	51	46,216	116	16,171	85
	[1]3,290	[1]8	[1]8,843	[1]39	—	—	—	—	—	—	—	—
1996	19,766	47	39,403	171	13,621	34	8,620	45	32,730	79	9,727	50
	[1]5,643	[1]6	[1]8,127	[1]37	—	—	—	—	—	—	—	—
1997	17,757	43	32,020	140	8,291	20	2,689	13	20,478	50	5,607	29
	[1]2,790	[1]7	[1]8,116	[1]35	—	—	—	—	—	—	—	—

[1] Fish reported caught and released

Notes:

Fishing Methods

Rod and Line—angling catches, mostly in fresh water

Net and Coble—sweep nets, mostly in estuaries, a few on the coast

Fixed engine—coastal fisheries, outside estuary limits (by law)

Weight—rounded to nearest tonne

Mr. Jenkin: To ask the Secretary of State for Scotland what measures he will pursue to promote the recovery of native trout and salmon stocks in Scottish rivers. [56302]

Mr. Macdonald: The Government are well aware of the importance of salmon and native trout and the need to ensure their conservation status. For many years they have funded research by a number of bodies including the Fisheries Research Services (FRS). That commitment remains and the table lists ongoing research by the Services' Freshwater Fisheries Laboratory at Faskally. Back-up support is also being provided to the biologists employed by the various fishery trusts established on the West of Scotland.

		Estimated cost (£) for 1998–99
Monitoring	Provide an account of the status of Scottish salmon stocks	236,400
Monitoring	Provide an account of Scottish sea trout, brown trout and freshwater fish stocks	150,122
Monitoring	Provide an account of the Scottish freshwater environment as a habitat for freshwater fish	380,846
R&D	Experimental population dynamics of Atlantic salmon and brown trout	172,314
R&D	Population structuring in salmonids	283,154
R&D	Characterisation of biodiversity in the Atlantic salmon	33,635

Mr. Jenkin: To ask the Secretary of State for Scotland if he will estimate the number of jobs sustained through sea trout and salmon fishing in Scotland in each of the years 1992 to 1998 *(a)* directly and *(b)* indirectly; and if he will make a statement on the basis of these figures. [56304]

Mr. Macdonald: Information on the number of jobs associated with salmon and sea trout angling is not held centrally.

Mr. Jenkin: To ask the Secretary of State for Scotland what assessment he has made of the effect of inshore coastal fish farming on native migratory sea trout and salmon populations; and if he will make a statement. [56308]

Mr. Macdonald: Stocks of Atlantic salmon and sea trout have declined in many areas of the North Atlantic. The reasons for this are believed to be many and varied but it is recognised that sea lice attracted to coastal fish farms could represent an additional burden, particularly for sea trout.

Housing Benefit

Mr. Swinney: To ask the Secretary of State for Scotland what aspects of the *(a)* funding and *(b)* administration of housing benefit will be within the responsibility of the Scottish Parliament; what plans he has to review the proposed division of responsibility over housing benefit; and if he will make a statement. [55973]

Mr. Macdonald: The Scotland Bill currently before Parliament provides that responsibility for matters related to social security policy and administration, including housing benefit, should be reserved to the UK Parliament. The Scottish Parliament will, however, be responsible for any extra costs which result from decisions by local authorities on their housing rent levels which lead to expenditure on rent rebates growing more rapidly in Scotland than in England. I have no plans to review the proposed division of responsibility over housing benefit.

Fish Farms

Mr. Jenkin: To ask the Secretary of State for Scotland what representations he has received from organisations and individuals concerned about the environmental damage caused by inshore coastal fish farms; if he will list those who have made representations; and if he will make a statement. [56307]

Mr. Macdonald: Representations are received from time to time. It would not be appropriate to list those concerned without their permission but they include individuals and organisations, including representatives of anglers.

The Government have made it clear that a sustainable aquaculture industry must have regard to environmental as well as social and economic considerations. To that end, the Government welcome the sea lice strategy which the industry is putting in place and endorse the guidance on environmental assessment sponsored jointly by the industry and the Crown Estate.

For their part, the Government have made clear their intention to increase the role of local authorities in the planning process for aquaculture developments and have recently released for public consultation "Interim Scheme for the Licensing of Marine Fish Farms in Scottish Waters—Policy Guidance Note and Advice Note: Marine Fish Farming and the Environment".

Mr. Jenkin: To ask the Secretary of State for Scotland what was the total public subsidy paid to the fish farming industry in each year for the period 1992 to 1999. [56306]

Mr. Macdonald: Public subsidy amounting to £15.9 million was paid to the fish farming industry in Scotland over the period 1992 to 1998. The breakdown for each financial year is as follows:

Year	*£ million*
1992–93	3.28
1993–94	2.71
1994–95	2.06
1995–96	2.62
1996–97	3.53
1997–98	1.73

Figures for 1998–99 are not yet available.

Mr. Jenkin: To ask the Secretary of State for Scotland if he will estimate the number of jobs sustained through inshore coastal fish farming in Scotland in each of the years 1992 to 1998 *(a)* directly and *(b)* indirectly; and if he will make a statement on the basis of these figures. [56305]

Mr. Macdonald: The number of jobs directly sustained by coastal fish farming in Scotland in each of the years 1992 to 1997 is as follows:

Year	*Full-time*	*Part-time*	
1992	985	275	1,260
1993	976	248	1,224
1994	1,050	248	1,298
1995	1,104	251	1,355
1996	1,150	241	1,391
1997	1,088	207	1,295

This information is based on figures provided by the companies concerned. Information for 1998 will be published by the Scottish Office in the Scottish Fish Farm Production Survey for 1998 during the first day half of 1999. Figures for indirect employment are not available for the time series requested; however, our most recent estimates indicate that the industry supports around 6,500 jobs both indirectly and in terms of up and downstream activities. This represents an important contribution to the Scottish economy and remote rural areas in particular where most of the employment arises.

AGRICULTURE, FISHERIES AND FOOD

Alternative Crops

Mr. Jack: To ask the Minister of Agriculture, Fisheries and Food if he will list the alternative crops that are presently being grown in the UK. [54829]

Mr. Rooker: A wide range of alternative crops are being grown in the UK. I will write to the right hon. Gentleman with the information requested.

Beef and Sheep Premiums

Miss McIntosh: To ask the Minister of Agriculture, Fisheries and Food for what reasons the payment of beef and sheep premiums to farmers by his Department has been subject to delay. [54860]

Mr. Rooker *[holding answer 19 October 1998]:* There have been no delays in making beef and sheep payments to farmers. Payments have been made in accordance with the deadlines laid down in the schemes concerned and with MAFF's published targets.

The Ministry will continue to make every effort to ensure that farmers receive the payments due to them as rapidly as possible consistent with the operation of proper financial control.

Calf Processing Aid Scheme

Mr. Kidney: To ask the Minister of Agriculture, Fisheries and Food what representations he has received in support of retaining the calf processing aid scheme beyond 30 November. [55750]

Mr. Rooker: We have received a number of representations in support of retaining the Calf Processing Aid Scheme beyond 30 November. These came mainly from organisations representing dairying interests. Representations have also been received against retaining the Scheme beyond 30 November, mainly from slaughtering and animal welfare interests.

Agriculture Council

Mr. Stevenson: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the outcome of the Agriculture Council held in Luxembourg on 19 and 20 October. [56626]

Mr. Nick Brown: I represented the United Kingdom at a meeting of the European Union Agriculture Council in Luxembourg on 19 and 20 October 1998.

The Council discussed the state of progress of negotiations on the Commission's Agenda 2000 CAP reform proposals, on which substantial technical level work has continued since May. I stressed the importance of continuing the pace of work so that the negotiations could be concluded by March 1999 in accordance with the timetable laid down at the Cardiff European Council. A further debate on this dossier will take place at the Council's November meeting with the aim of agreeing a political position for transmission to the Vienna European Council.

The Council also discussed two proposals concerning the new agrimonetary arrangements which will apply after 1 January 1999. I broadly welcomed the proposals, in particular the introduction of a regime which will be less costly for the EU budget and more transparent and workable for operators than the current system. I also welcomed an improved proposal governing the terms under which member states who are not joining the single currency on 1 January 1999 could choose to pay CAP subsidies in Euros. There was a large measure of support in Council for the proposals. However, several member states preferred final decisions to be deferred until December when the likely monetary situation as at 1 January, and therefore the impact upon farm incomes, would be clearer.

At a Danish request, the Council held a brief debate on antibiotic resistance and the use of antibiotics in farming. It will return to the issue in due course on the basis of a Commission assessment of the scientific data.

FOREIGN AND COMMONWEALTH AFFAIRS

British Overseas Territories

Mr. John M. Taylor: To ask the Secretary of State for Foreign and Commonwealth Affairs when he expects to publish a White Paper on the future of the British Overseas Territories; and if he will make a statement on the citizenship of the people of St. Helena. [55785]

Ms Quin: It is expected that the White Paper on the UK Overseas Territories will be published by the end of the year.

Most people in St. Helena are British Dependent Territories Citizens. The issue of British citizenship for residents of all UK Overseas Territories who do not already have it is a complex one. It is being considered sympathetically in the context of the current Review of UK Overseas Territories and the result will be published in the White Paper.

Correspondence

Mr. John M. Taylor: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will cause a reply to be made to the hon. Member for Solihull from the Migration and Visa Unit of his Department to correspondence initiated by that hon. Member on 5 June in the matter of Asmaham J. Tahmas and Mohamad R. Ismail bearing the unit's reference GV100/45781. [55740]

Mr. Fatchett: The Migration and Visa Correspondence Unit replied to the hon. Member's representations on 22 October 1998.

Departmental Buildings (Access)

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what provisions are made by his Department for visitors to his Department who have physical difficulties. [56257]

Mr. Fatchett: Visitors to Department buildings who have physical difficulties are provided with assistance and guidance to ensure that, as far as possible, these difficulties do not hamper access or the conduct of their business.

An Audit of the Department's buildings was carried out earlier this year to cover the requirements of the Disability Discrimination Act 1995. The Terms of Reference included examining our current access arrangements for visitors with physical difficulties.

An independent architectural adviser, specialising in disabled access arrangements, who helped us design access for disabled visitors to our Information Centre which opened earlier this year, is now working up the Audit findings into an action plan. Our Officials will be meeting the adviser shortly to discuss the way forward.

War Crimes

Mr. Austin: To ask the Secretary of State for Foreign and Commonwealth Affairs what efforts SFOR have made to apprehend and arrest *(a)* Ratko Mladic and *(b)* Radovan Karazic to face trial before the International Criminal Tribunal. [56481]

Mr. Tony Lloyd: All indictees, including Karazic and Mladic, belong before the Tribunal in The Hague.

Under Dayton, the primary responsibility for transferring war crimes indictees to the Tribunal lies with the Parties. We continue to press them to fulfil these and other obligations but their performance so far is variable. For this reason SFOR continues to take action to detain indictees: of ten indictees successfully detained in Bosnia, seven have involved British forces either directly or in support. We cannot give details of specific plans or operations.

SFOR's approach has helped ensure that over half of those currently indicted have appeared in The Hague.

Mr. Austin: To ask the Secretary of State for Foreign and Commonwealth Affairs what steps have been taken to ensure that the International Criminal Tribunal is able to investigate war crimes and crimes against humanity committed in Kosovo. [56482]

Mr. Tony Lloyd: On 31 March this year, the UN Security Council adopted Resolution 1160 (1998) which urged the Prosecutor of the International Criminal Tribunal for the former Yugoslavia to begin gathering information related to the violence in Kosovo that might fall within its jurisdiction. The Council also noted that the authorities of the Federal Republic of Yugoslavia had an obligation to co-operate with the Tribunal.

In its Resolution 1199 (1998) adopted on 23 September, the Security Council called upon both the authorities of the Federal Republic of Yugoslavia and the leaders of the Kosovo Albanian community to co-operate fully with the Prosecutor of the Tribunal in the investigation of possible violations of international humanitarian law within the jurisdiction of the Tribunal. The UK took the lead in drafting this resolution.

My right hon. Friend the Foreign Secretary has also urged the Tribunal to investigate the massacres in Gornje Obrinje and near Vucitern in Kosovo. A team of investigators from the Tribunal has recently returned from Kosovo and the Prosecutor has publicly announced her intention to lead the next investigative mission.

Sudan (British Embassy)

Mr. Austin: To ask the Secretary of State for Foreign and Commonwealth Affairs what plans he has to reopen the British Embassy in Sudan; and if he will make a statement. [55972]

Mr. Fatchett: We did not break off diplomatic relations with Sudan when we withdrew UK based staff from Khartoum. We have also maintained contact with the Sudanese authorities through their Embassy here. I hope that it will not be too long before the necessary conditions are re-established for a return to normal relations with Sudan.

Falkland Islands (Fishing)

Mr. Austin: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he *(a)* has made and *(b)* intends to make following the passing of a Bill in the Argentine Senate threatening fines to fishing boats in Falkland Islands waters; and if he will make a statement. [56483]

Mr. Tony Lloyd: My right hon. Friend the Foreign Secretary told the Argentine Foreign Minister on 16 October that we were aware that the Argentine Congress was considering a Bill that would purport to regulate fishing activities in Falkland waters. My right hon. Friend made clear our concerns that the adoption of such legislation risks damaging cooperation on South Atlantic issues and the bilateral relationship more generally.

The forthcoming visit of President Menem to the United Kingdom is another opportunity to register our opposition to the Bill.

Mr. Austin: To ask the Secretary of State for Foreign and Commonwealth Affairs if the Falkland Islands Government have the sole right to issue licences for fishing in Falkland Islands territorial waters; and if he will make a statement. [56484]

Mr. Tony Lloyd: We are in no doubt about the Falkland Islands Government's sole right to issue licences to vessels that wish to fish in Falkland waters and to authorise fishing activities there.

Human Rights (Gambia)

Mr. Corbett: To ask the Secretary of State for Foreign and Commonwealth Affairs what recent assessment he has made of human rights abuses in The Gambia; and what impact this will have on the UK's current aid and assistance. [56334]

Mr. Tony Lloyd: We are concerned that breaches of basic human rights are still occurring in The Gambia. We discussed this with colleagues at the October meeting of the Commonwealth Ministerial Action Group (CMAG). CMAG's Chairman has written to President Jammeh asking for his response to recent allegations of human rights abuses. If such abuses continue, it will inevitably lead to a review of our current aid and assistance programme.

Departmental Properties

Mrs. Ewing: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the properties *(a)* owned and *(b)* rented or leased by his Department in Togo, the purposes for which they are designated and the annual running costs for each property; and if he will make a statement. [56215]

Mr. Fatchett: We have no properties in Togo.

Mrs. Ewing: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the properties *(a)* owned and *(b)* rented or leased by his Department in Nicaragua, the purposes for which they are designated and the annual running costs for each property; and if he will make a statement. [56216]

Mr. Fatchett: We have one Embassy office, one house for the Head of Mission and one staff house in Managua. All properties are leased.

Annual running costs for each property are not readily available and could be provided only at disproportionate cost.

Mrs. Ewing: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the properties *(a)* owned and *(b)* rented or leased by his Department in Syria, the purposes for which they are designated and the annual running costs for each property; and if he will make a statement. [56217]

Mr. Fatchett: We own one house for the Head of Mission and one staff store in Damascus. In addition we lease 17 other properties in Damascus:

1 Embassy Office

4 Garages

12 units of staff accommodation.

Annual running costs for each property are not readily available and could be provided only at disproportionate cost.

Mrs. Ewing: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the properties *(a)* owned and *(b)* rented or leased by his Department in Slovenia, the purposes for which they are designated and the annual running costs for each property; and if he will make a statement. [56218]

Mr. Fatchett: We have one Embassy office, one house for the Head of Mission and three staff flats in Ljubljana. All properties are leased.

Annual running costs for each property are not readily available and could be provided only at disproportionate cost.

General Pinochet

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs what consultation took place between his Department and the Spanish Government prior to the issuing of the international warrant for the arrest of General Pinochet. [56280]

Mr. Tony Lloyd: There was no consultation between the Foreign and Commonwealth Office and the Spanish Government prior to the issuing of the request for a provisional warrant for the arrest of Senator Pinochet.

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs what consultation took place between his Department and the Secretary of State for Trade and Industry concerning General Pinochet prior to 18 October. [56283]

Mr. Tony Lloyd: There was no consultation between the Foreign and Commonwealth Office and my right hon. Friend the Secretary of State for Trade and Industry concerning Senator Pinochet prior to 18 October.

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations his Department has received from the Chilean Government since 1 May 1997 concerning General Pinochet. [56282]

Mr. Tony Lloyd: We have received the following representations from the Chilean Government since 1 May 1997 concerning General Pinochet: (i) The Chilean Embassy in London contacted the Foreign and Commonwealth Office in September 1998 ahead of Senator Pinochet's visit to request the use of VIP facilities on his arrival at Heathrow Airport; (ii) The Chilean Foreign Minister, Sr. Jose Miguel Insulza, handed over a formal Note protesting the arrest of Senator Pinochet to the British Ambassador in Chile on 17 October 1998. The Chilean Embassy in London also passed a Note making the same points to the Foreign and Commonwealth Office on 19 October 1998. A second Note was passed to the British Embassy in Santiago on 23 October 1998; (iii) The Chilean Foreign Minister, Sr. Jose Miguel Insulza telephoned my right hon. Friend the Foreign Secretary on 17 October 1998. The Chilean Deputy Foreign Minister, Sr. Mariano Fernandez, called on my right hon. Friend the Foreign Secretary on Saturday 24 October.

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs what consultations took place between his Department and other departments prior to the issuing of the international warrant for the arrest of General Pinochet. [56281]

Mr. Tony Lloyd: FCO officials were kept informed of events leading up to the arrest. The only consultation that took place was between the Metropolitan Police and the FCO on the technical question of whether Senator Pinochet would be entitled to diplomatic immunity.

Sierra Leone

Mr. Mackinlay: To ask the Secretary of State for Foreign and Commonwealth Affairs what is the basis of the statement in Sir Thomas Legg's report at paragraph 4.2 that Sandline International is a company registered in the Bahamas. [56008]

Mr. Tony Lloyd: Evidence supplied to the Legg Inquiry.

Mr. Mackinlay: To ask the Secretary of State for Foreign and Commonwealth Affairs on what occasions the British High Commission has visited the British passport holders under sentence of death in Sierra Leone for offences arising from, or relating to, the military coup. [55976]

Mr. Tony Lloyd: We are aware of only one British passport holder, Mr. Hilton Fyle, presently under sentence of death. He is also a national of Sierra Leone.

A British consular official visited Mr. Fyle on 15 September 1998. He was fit and well and said that he was being treated fairly. He has regular access to a lawyer.

A British consular official plans to visit Mr. Fyle again before the end of October.

Mr. Mackinlay: To ask the Secretary of State for Foreign and Commonwealth Affairs (1) what representations have been made by Her Majesty's Government in respect of those sentenced to death in Sierra Leone for offences arising from, or relating to, the military coup; and if he will make a statement; [55977]

(2) on which date the Minister of State telephoned the Sierra Leone Government urging clemency for those officers sentenced to death by courts martial consequent upon their participation in the military coup; with whom he spoke; and what other direct or indirect representations urging clemency were made by Her Majesty's Government. [56279]

Mr. Tony Lloyd: I spoke personally to President Kabbah on 16 October to ask him to apply clemency in respect of the courts martial sentences. Our High Commissioner in Freetown also spoke to President Kabbah on 16 October. I reiterated my points in a letter delivered to the President the following day. I also spoke to President Kabbah on 27 August to urge clemency for those sentenced to death on 25 August in the civilian trials.

Mr. Mackinlay: To ask the Secretary of State for Foreign and Commonwealth Affairs if Mr. Peter Penfold, during his meeting with the Foreign Secretary's Special Representative on Sierra Leone on 30 December 1996, shared his knowledge of the Blackstone deal for EO/Sandline to provide military equipment and training to the Kabbah Government. [56362]

Mr. Tony Lloyd: Mr. Penfold met Mr. Flynn, my right hon. Friend the Foreign Secretary's Special Representative to Sierra Leone, in New York in mid-January 1998. This is recorded in paragraph 5.30 of the Legg Report which states:

"On 14 and 15 January, they attended meetings together with UN delegates, including the Chairman of the UN Sanctions Committee. It does not appear that the arms embargo, or the supply of arms by UK firms to President Kabbah, surfaced in those discussions."

Mr. Penfold did not meet Mr. Flynn on 30 December 1996.

Mr. Mackinlay: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to paragraph 4.8 of the Legg report, who advised Mr. Peter Penfold to meet Branch Energy prior to him taking up his appointment as High Commissioner in Sierra Leone. [56361]

Mr. Tony Lloyd: Branch Energy was identified by the FCO's African Department as one of a group of British commercial firms with business interests in Sierra Leone. As is normal practice, Mr. Penfold was recommended to contact them as part of his preposting briefing.

Mr. Mackinlay: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment has been made of the charges, evidence and conduct of the trial of the British national, Hilton Fyle, sentenced to death in Sierra Leone. [56275]

Mr. Tony Lloyd: Mr. Fyle's trial and those of others have been monitored by the United Nations, other international observers and by the British High Commission in Freetown. The international observers have indicated that these civil trials were conducted fairly, under difficult circumstances. Mr. Fyle has appealed against his conviction. The appeal process, which has not yet begun, is expected to last at least one month.

Mr. Mackinlay: To ask the Secretary of State for Foreign and Commonwealth Affairs on what occasions Mr. Peter Penfold met *(a)* Mr. Tim Spicer and *(b)* representatives of Sandline International or its subsidiary companies during (i) his period of duties in the Caribbean and (ii) as Governor of the British Virgin Islands. [56360]

Mr. Tony Lloyd: Mr. Penfold has confirmed that on no occasion did he meet Mr. Spicer or representatives of Sandline International or its subsidiary companies during his period of duties in the Caribbean or as Governor of the British Virgin Islands.

Mr. Mackinlay: To ask the Secretary of State for Foreign and Commonwealth Affairs what reports his Department has received as to the identities and professions of those individuals executed by firing squad following the coup in Sierra Leone. [56372]

Mr. Tony Lloyd: According to information published by the Government of Sierra Leone, all the 38 persons sentenced in the court martial which began on 23 July 1998 were former members of the Sierra Leone armed forces. Those executed on 19 October were:

Corporal Tamba Gborie
Sergeant Abu Sankoh alias Zagallo
Squadron Leader Victor King
Brigadier Hassan Karim Conteh
Lieutenant Jim Kelly Jalloh
Lieutenant Jim Kelly Jalloh
Captain Idrissa Khemolai
Captain Simbo Sankoh
Colonel John Amadu Sonica Conteh
Lt. Commander Samuel Kandu Boi Gilbert
Lt. Commander Abdul Aziż Dumbuya
Lt. Colonel P. F. Foday
Josiah Boisy Pratt
Captain Abukarr Kamara
Captain Albert Johnny Moore
Major Bayoh Conteh alias Bios
Major Augustine Fannah Kamara
Major Abdul Masakama Koroma
Major Kula Samba
Lt. Colonel David Boisy Palmer
Colonel David Kobina Anderson
Colonel Abdul Karim Sesay
Colonel James Max Kanga
Colonel Sam Francis Yariemah Koroma

Mr. Mackinlay: To ask the Secretary of State for Foreign and Commonwealth Affairs on what day he was notified of *(a)* the holding of courts martial of officers implicated in the Sierra Leone coup, *(b)* the verdicts on the officers and *(c)* the award of death sentences. [56276]

Mr. Tony Lloyd: The military courts martial began on 23 July 1998. The British High Commission reported this that day. The verdicts and the sentences were handed down on 12 October 1998, and reported that day by the High Commission.

Mr. Mackinlay: To ask the Secretary of State for Foreign and Commonwealth Affairs on what date Sandline International was entered on the Companies Register of the British Virgin Islands. [55974]

Mr. Tony Lloyd: We have not traced a company in the name of Sandline International registered in the British Virgin Islands. However, a company called Sandline Holdings was registered there on 2 July 1993.

Mr. Mackinlay: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the dates and location of Mr. Peter Penfold's service in the Caribbean subsequent to the completion of his duties as Governor of the British Virgin Islands. [55975]

Mr. Tony Lloyd: Mr. Penfold completed his duties as Governor of the British Virgin Islands in 1995. He subsequently served as HMG's Special Adviser on Drugs in the Caribbean from 1995 to 1996.

Mr. Mackinlay: To ask the Secretary of State for Foreign and Commonwealth Affairs by what means his Department has been able to assess the evidence submitted to, and the efficacy of the conduct of, *(a)* the courts martial and *(b)* the civil courts of Sierra Leone, in respect of hearings related to charges of treason arising from the coup. [56267]

Mr. Tony Lloyd: The courts martial and the civilian trials have been monitored by the United Nations and other international observers and by the British High Commission. The international observers have indicated that the civil trials have been conducted fairly under difficult circumstances. Both we and the international observers have, however, expressed concern to the Government of Sierra Leone about the absence of a proper appeals process for the military courts martial.

Mr. Mackinlay: To ask the Secretary of State for Foreign and Commonwealth Affairs (1) if a representative of the British High Commission to Sierra Leone was in attendance at the courts martial of the officers subsequently executed for their participation in the Sierra Leone coup; [56278]

(2) if a representative of the British High Commission to Sierra Leone attended throughout the trial of British national, Hilton Fyle. [56270]

Mr. Tony Lloyd: No.

Mr. Mackinlay: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to the Legg report, if he will place in the Library a copy of the document Project Python as presented to Mr. Peter Penfold at his meeting with Mr. Spicer of Sandline on 28 January. [56359]

Mr. Tony Lloyd: The Project Python document referred to in the Legg report is a commercial working document belonging to Sandline International. It is not for the Government to make such a document public.

Gibraltar

Mr. Mackinlay: To ask the Secretary of State for Foreign and Commonwealth Affairs if it is Her Majesty's Government policy that there shall be no alteration to the constitutional status of Gibraltar without the consent of the people of Gibraltar. [55985]

Ms Quin: As set out in the Preamble to the 1969 Gibraltar Constitution Order, it is Her Majesty's Government's policy that there can be no alteration in Gibraltar's status as a United Kingdom's Overseas Territory without the consent of the people of Gibraltar.

Mr. Mackinlay: To ask the Secretary of State for Foreign and Commonwealth Affairs on which occasions this year the Royal Gibraltar Police have intervened with *(a)* Spanish fishermen and *(b)* Spanish armed forces or law enforcement agencies in relation to infringement of Gibraltarian waters. [55979]

Ms Quin: There has been an increase in incursions into British waters around Gibraltar by Spanish fishermen since the beginning of this year. The Royal Gibraltar police has routinely requested vessels fishing illegally in British waters around Gibraltar, both Spanish and other, to refrain from doing so. In extreme cases, offenders have been arrested. Spanish military or law enforcement vessels entering British waters, unless exercising a right of innocent passage or co-operating with the Gibraltar authorities, are routinely asked to leave.

Mr. Mackinlay: To ask the Secretary of State for Foreign and Commonwealth Affairs what resources have been requested by *(a)* the Governor and *(b)* the Government of Gibraltar in order to defend its territorial waters. [55980]

Ms Quin: Under the 1969 Constitution, responsibility for defence issues rests with the Governor, rather than the Government, of Gibraltar. It would not be appropriate to comment on discussions of operational defence and policing matters. The Governor has been assured that the Royal Gibraltar Police will be able to rely on whatever support is necessary to enable them to do their job effectively and safely.

Mr. Mackinlay: To ask the Secretary of State for Foreign and Commonwealth Affairs what initiatives were rejected during the United Kingdom presidency of the EU by Spain consequent to the dispute over the status of Gibraltar. [55981]

Ms Quin: Before the start of the UK Presidency, Spain objected to various draft instruments in the Justice and Home Affairs field because of the terms relating to the inclusion of Gibraltar. We fully consulted the Government of Gibraltar during the ensuing negotiations during our Presidency. The Government of Gibraltar reluctantly decided that Gibraltar should be excluded from these instruments rather than participate as part of the UK legal jurisdiction, three instruments were adopted at the Justice and Home Affairs Council on 28–29 May on this basis (ie with Gibraltar excluded): Eurodac Convention, Driving Disqualifications Convention and European Judicial Network Joint Action.

Mr. Mackinlay: To ask the Secretary of State for Foreign and Commonwealth Affairs when he rejected the Matutes proposals on Gibraltar; and if he will make a statement. [55982]

Ms Quin: We have said that we are studying the Matutes proposals and will reply in due course. That remains the position. We have also reaffirmed that we stand firmly by the commitment in the 1969 Constitution that there can be no change in Gibraltar's status without the consent of the people of Gibraltar.

Mr. Mackinlay: To ask the Secretary of State for Foreign and Commonwealth Affairs when he will reply to the representation of the Gibraltar Government, submitted earlier this year in response to the Matutes proposals. [55983]

Ms Quin: There is frequent dialogue between HMG and the Government of Gibraltar. I last met with the Chief Minister of Gibraltar on 29 September. We have told the Government of Gibraltar that we are studying the Matutes proposals and will reply in due course. We have also repeatedly made it clear that there can be no change in Gibraltar's status without the consent of the people of Gibraltar.

Mr. Mackinlay: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the infringement of Gibraltarian waters by Spanish fishermen. [55984]

Ms Quin: Since the beginning of this year, there has been an increase in incursions into British waters around Gibraltar by Spanish fishermen. We have reached an understanding with the Spanish authorities of the situation that had prevailed between 1991 (when the Gibraltar Nature Protection Ordinance was introduced) and 1997 during which Spanish fishermen respected the authority of the Police, and have been seeking to return to that situation.

Dubai

Mr. Swayne: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he will make to the Government of Dubai consequent upon the decision by the United Nations Working Group on Arbitrary Detention to designate the detention of George Atkinson as arbitrary. [56508]

Mr. Fatchett: The United Nations Working Group had not told HMG of its decision until we consulted them on 22 October. We are seeking more information from the Working Group so that we may consider what action is appropriate.

We have regularly encouraged the Government of Dubai to sign and ratify the International Covenant on Civil and Political Rights, as well as other UN Conventions.

Written Answers to Questions

Tuesday 27 October 1998

PRESIDENT OF THE COUNCIL

Millennium Infrastructure Project

Mr. Caplin: To ask the President of the Council when the Ernst and Young report on the Government's millennium infrastructure project will be published. [56673]

Mrs. Beckett: The report was published on 10 September, copies of which have been placed in the Libraries of the House.

WALES

Multilateral Agreement on Investment

Mr. Dafis: To ask the Secretary of State for Wales what representations he has received from the Welsh Development Agency concerning the implications for its activities of the proposed Multilateral Agreement on Investment. [56156]

Mr. Hain: The Welsh Development Agency has regular discussions with the Welsh Office on a variety of issues. The implications of the Multilateral Agreement on Investment (MAI) has been discussed in that context. The Welsh Office continues to keep the Agency advised of developments on the MAI proposal.

Assisted Areas

Mr. Barry Jones: To ask the Secretary of State for Wales when he expects to announce changes in the map of assisted area status; and if he will make a statement. [56493]

Mr. Hain: Announcing changes to the Assisted Areas map is a matter for my right hon. Friend the Secretary of State for Trade and Industry. The new map must be notified to the Commission by 31 March 1999, and will come into force on 1 January 2000.

Apprentices (Deeside)

Mr. Barry Jones: To ask the Secretary of State for Wales what steps his Department proposes to facilitate increases in apprentices on Deeside; and if he will make a statement. [56492]

Mr. Hain: The Welsh Office in collaboration with the Welsh TECs actively promotes Modern Apprenticeships to both employers and young people. However, the demand for apprentices on Deeside, as elsewhere, is determined by employers. CELTEC, the local Training and Enterprise Council, works with these employers to meet emerging needs.

Nuclear Waste

Ms Lawrence: To ask the Secretary of State for Wales if he will make it his policy to call in any application to store nuclear waste at Trecwn in Pembrokeshire. [56692]

Mr. Jon Owen Jones: No. However, I am prepared to consider whether an individual application should be called in. As yet, I understand that no application has been made.

TREASURY

Value Added Tax

Mr. Bob Russell: To ask the Chancellor of the Exchequer what plans he has to raise the financial threshold for service industry businesses to register for value-added tax. [56435]

Dawn Primarolo: Customs and Excise are currently undertaking a public consultation on future changes to the VAT registration threshold. Decisions on the various proposals will only be taken after careful evaluation of the representations received.

Manufacturing Industry

Mr. Nicholas Winterton: To ask the Chancellor of the Exchequer what recent representations he has received concerning the impact of the strength of the pound on manufacturing industry. [56845]

Ms Hewitt: Treasury Ministers receive many representations from business organisations on a range of issues, including the exchange rate. The Government understand the difficulties caused by sterling's appreciation. The recent easing of the exchange rate should help to relieve some of the concerns of manufacturers.

Public Sector Borrowing Requirement

Mrs. Lait: To ask the Chancellor of the Exchequer what changes have been made to the *(a)* definition and *(b)* objectives of the public sector borrowing requirement since its inception; and what are the current objectives. [56659]

Mr. Byers: The definition of the public sector used for the public sector net cash requirement (formerly known as the public sector borrowing requirement) has always been consistent with the definition used in the national accounts prepared by the Office for National Statistics.

No changes have been made to the objectives of the public sector net cash requirement, which are to measure the cash needs of the whole public sector.

National Air Traffic Services

Mr. Jenkin: To ask the Chancellor of the Exchequer, pursuant to the Government's Economic and Fiscal Strategy report (Cm 3978, p.37), if it remains Government policy to sell part of National Air Traffic Services during the financial year 1999–2000; and what sale proceeds are forecast. [56689]

Ms Hewitt: It is still the Government's intention to introduce a public private partnership for NATS based on a 51 per cent. sale of shares. A consultation paper has been published. The timing of the sale will depend on the legislative timetable. It would not be appropriate to give estimates of proceeds, which are commercially sensitive, before the sale takes place.

Exports

Mr. Maude: To ask the Chancellor of the Exchequer what is his latest estimate of the value of the United Kingdom's exports to OECD countries currently in recession as defined by two successive quarters of negative growth, in each of *(a)* 1997–98, *(b)* 1998–99 and *(c)* 1999–2000. [56693]

Ms Hewitt: Three OECD countries Japan, South Korea and New Zealand have recently had two successive quarters of negative growth. The value of UK exports of goods to these countries in 1997–98 was estimated at £5,579 million: £4,057 million for Japan; £1,100 million for South Korea, and £422 million for New Zealand. The Treasury does not publish forecasts for the value of trade with individual countries.

GDP Growth

Mr. Ruffley: To ask the Chancellor of the Exchequer (1) what account will be taken of the forecast for EU GDP growth issued by the European Commission on 21 October in his Department's forecasts for UK GDP growth in 1999; and if he will make a statement; [56768]

(2) what assessment he has made of the European Commission's forecasts of 21 October of the UK and EU rates of GDP growth; and if he will make a statement. [56767]

Ms Hewitt: New forecasts for growth will be published on 3 November as part of the Pre-Budget Report. These will take account of developments since the Budget forecast was published in March.

Unclaimed Assets

Mr. Soley: To ask the Chancellor of the Exchequer what discussions he has had with banks, building societies and insurance companies about the amount of assets held by these organisations on behalf of people whose whereabouts are no longer known. [56944]

Ms Hewitt: None.

Mr. Soley: To ask the Chancellor of the Exchequer what estimate he has made of the amount of money held by financial institutions on behalf of individuals whose whereabouts are presently unknown. [56956]

Ms Hewitt: We have no comprehensive data on the amounts involved.

Working Families Tax Credit

Mr. Derek Twigg: To ask the Chancellor of the Exchequer when he will publish details of the proposed scheme for employers to pay the working families tax credit and the disabled person's tax credit through the wage packet. [57150]

Dawn Primarolo: WFTC and DPTC will replace Family Credit (FC) and Disability Working Allowance (DWA) in October 1999 and will be administered by the Inland Revenue. From that date the Inland Revenue will process applications and pay the 26-week awards direct to all successful applicants. But from April 2000 employers will pay the tax credits to employees through the wage packet unless a couple chose to have them paid direct by the Revenue to the self-employed or non-earning partner.

The Inland Revenue has been consulting employer representatives on the design of the scheme, with the aim of minimising extra burdens on employers. The main features are as follows:

The Inland Revenue will notify employers of when to start paying a tax credit, and will give them time to adjust their payroll. The notification will tell the employer how much tax credit to pay and when to stop. In order to preserve the applicant's confidentiality the notification will refer only to 'tax credits'. It will not distinguish between WFTC and DPTC, nor will it list the various elements of the award.

Once notified when to start payments, the employer will add the amount of the tax credit (calculated using the daily rate supplied by the Revenue) to the employee's net wages for each pay period.

Employers will continue to pay the tax credits until the end of the 26-week award unless notified by the Inland Revenue to stop paying sooner. A recipient who changes jobs or leaves employment will be responsible for letting the Revenue know of these changes.

When the employer is not paying the tax credit—at the beginning of an award, or where the employee has left the employer—the Revenue will be responsible for making direct payment to the recipient, thus ensuring that there is no gap in payments.

Employers will set off the amounts of tax credit they pay against their PAYE and NIC liabilities. Employers whose liabilities are too small to cover the WFTC and DPTC due will be able to apply to the Revenue for funding.

The Inland Revenue will be providing information and support, both before and after April 2000, to help employers meet their new obligations.

SOCIAL SECURITY

Income Support (Mortgage Interest)

Mr. Love: To ask the Secretary of State for Social Security what estimate he has made of the losses in respect of income support with mortgage interest arising from *(a)* fraud, *(b)* claimant error and *(c)* agency error in each of the last five years; what efforts are being made to reduce these losses; and if he will make a statement. [55218]

Mr. Denham: The administration of Income Support is a matter for Peter Mathison, Chief Executive of the Benefits Agency. He will write to my hon. Friend.

Letter from Peter Mathison to Mr. Andrew Love, dated 26 October 1998:

The Secretary for Social Security has asked me to reply to your recent Parliamentary Question asking what estimates he has made of the losses in respect of Income Support (IS) with mortgage interest from (a) fraud, (b) claimant error and (c) agency error in each of the last five years; what efforts are being made to reduce these losses.

The information is not available in the format requested. The Benefits Agency (BA) estimates of the level of fraud within major benefits are informed by the BA's Benefit Review programme.

However, the IS reviews did not separately identify losses arising from fraud where mortgage interest was included. BA's Quality Support Teams provide estimates of agency error on certain benefits including IS. Estimates relating to claimant error could only be provided at disproportionate cost. Estimates for agency error are enclosed on the attached table.

The Agency is actively looking at ways of working with mortgage lenders to prevent losses where the benefit includes mortgage interest. The vast majority of IS claimant's eligible housing costs have been paid direct to their mortgage lenders under the Mortgage Interest Direct (MID) arrangements since May 1992.

The Agency undertook a comprehensive mortgage scrutiny during 1994. The findings of the scrutiny supported the streamlining of the MID scheme. From October 1995 the MID scheme was simplified by introducing a standard interest rate (SIR) which eased the administration of the scheme and removed the reliance on customers for up to date mortgage information.

BA have introduced a number of measures to tackle fraud and incorrectness across all benefits including the introduction of a mandatory pre-payment check and a review of the poorest performing districts. Other initiatives introduced are enhancements to our computer system (relating to deductions from benefit), automating case reviews, increasing the number of pre-payment checks, funding additional training initiatives, new claim visits and targeted reviews, new checks on identity and new evidence based checks on claim details.

I hope this reply is helpful.

Estimates of Income Support mortgage interest losses due to official error

£ million

Year	*Official error*
April 1995—March 1996	92.46
April 1996—March 1997	33.27
April 1997—March 1998	21.10

Notes:

1. This information has been provided by the BA's Quality Support programme of visits, it is provisional and may be subject to change.
2. This information has been extracted from samples checked by the BA's Quality Support programme to provide national accuracy results in percentage and monetary accuracy terms. These results reflect the accuracy of benefit processing by BA staff, based on the documentation and information available.
3. BA monetary value of error results between 1995 and 1998 were based on samples of between 30,000 and 60,000 cases and are subject to a margin of error of plus or minus ten per cent.
4. Extracting data from the sample in respect of one type of error, substantially reduces the statistical validity of the resulting figures. The monetary values quoted for mortgage error give an indication of the scale of the over and underpayments identified in the course of the Quality Support programmes. However, these values should be treated with caution. A substantial checking exercise would be required to provide figures with greater statistical validity.
5. The information for 1995–96 is based on a twelve month sample period and includes all claimant groups including the unemployed and reflects the introduction of the Standard Interest Rate in October 1995.
6. The data for 1996–97 are based on a six month period but has been annualised to project a full year. The estimate is based on the latter half of the year following the introduction of Jobseeker's Allowance in October 1996 and does not include information relation to unemployed claimants.
7. The data for 1997–98 are based on a six month period at the start of the year and annualised to project a full year. This is because the end of year data are still being finalised.

Information (Benefits)

Dr. Lynne Jones: To ask the Secretary of State for Social Security if he will make a statement about his proposals to improve access to general information about benefits; and if the restoration of the freephone social security line is being considered. [56022]

Angela Eagle: Questions on Benefits Agency operational matters are the responsibility of its Chief Executive, Peter Mathison. He will write to my hon. Friend.

Letter from Peter Mathison to Dr. Lynne Jones, dated 26 october 1998:

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Question about his proposals to improve access to general information about benefits and if the restoration of the freephone social security line is being considered.

The Benefits Agency is currently simplifying and refocusing its provision of benefit information. The information will focus on what customers want and need to know to claim benefit. It will give them clear sign posts about where to get more information. This work is being taken forward under the title of "Project Access". The first new leaflets are being introduced at the end of November 1998.

Our intention for the future would allow customers to obtain accurate information through various media including by post, in person, by telephone, and electronically.

There are no current plans to reintroduce the national Freeline service which would lack the information links needed to provide the individual, customer-focused advice, which is critical to our vision of an active modern service.

Incapacity Benefit

Mr. Gordon Marsden: To ask the Secretary of State for Social Security how many people have *(a)* applied for and *(b)* been awarded incapacity benefit in each of the last three years. [55935]

Mr. Timms: The information is set out in the table.

Number of claims to and awards of incapacity benefit (IB)

	New claims	*IB awards*[1]
1 March 1995–29 February 1996[2]	1,072,456	535,100
1 March 1996–28 February 1997	1,067,919	495,600
1 March 1997–28 February 1998	1,012,827	455,380

[1] Figures exclude a small number of clerical cases and cases entered onto the system after the extract periods

[2] Includes period, 1 March 1995 to 12 April 1995, before Incapacity Benefit replaced Sickness Benefit and Invalidity Benefit on 13 April 1995

Sources:

New claims figures are received from Central Data Unit, these figures are subject to change.

IB Awards figures are taken from a quarterly 5 per cent. sample of the computer system.

Benefit Integrity Project

Mr. Sanders: To ask the Secretary of State for Social Security if he will exempt Huntington's disease sufferers from the benefit integrity project; and if he will make a statement. [55704]

Mr. Timms: The question of making further exemptions to the Benefit Integrity Project in cases of Neurological disease, which includes Huntington's disease, was raised at the last meeting of the Disability Benefits Forum on 23 September. We undertook to look at the case for making further amendments and we will be making an announcement in the near future.

Pensions

Mr. Harvey: To ask the Secretary of State for Social Security what research he has undertaken into the preferred method of payment of state pensions in *(a)* urban areas and *(b)* rural areas; and what is his policy on the method of payment of state pensions. [55773]

Mr. Denham: The Department has commissioned one study of claimants' preferences with respect to methods of payment. This study is presently under way. The Government remain committed to providing a secure, convenient and cost effective method of payment for all our customers.

Benefits

Mr. Swinney: To ask the Secretary of State for Social Security if he will estimate the cost to public funds of introducing for *(a)* all new claimants and *(b)* all claimants, a requirement to look for work for (i) all state benefits and (ii) incapacity benefit; if he will estimate the number of people who (1) would lose and (2) be denied incapacity benefit indicating their average financial loss; and if he will make a statement. [56246]

Mr. Timms: The information is not available.

Care Costs

Mr. Sanders: To ask the Secretary of State for Social Security what plans he has to review the capital threshold for long-term care cost contributions; and if he will make a statement. [55706]

Mr. Boateng: I have been asked to reply.

A Royal Commission has been established to carry out a fundamental review of the arrangements for providing and financing long-term care. We have no plans to reconsider the thresholds in advance of the report by the Royal Commission, which is expected at the end of the year. Under the current local authority charging rules no account is taken of capital below £10,000. For capital of between £10,000 and £16,000, an income of £1 a week is assumed for each complete £250, or part of £250, held. The capital thresholds which are applied by local authority social services departments in determining an individual's ability to contribute to long-term residential care currently match the thresholds which apply to Income Support for people in residential care. The higher threshold—above which residents qualify for neither income support nor assistance with their fees from the local authority—is currently £16,000.

SCOTLAND

Water Meters

Mr. Webb: To ask the Secretary of State for Scotland if he will make it his policy to require the Scottish water authorities to *(a)* ensure that their domestic mechanical water meters are accurate and durable, *(b)* assess the damage caused by particulate matter in water to their domestic water meters, *(c)* ensure that the domestic meters which they purchase from manufacturers have been tested using unfiltered water, *(d)* devise a strategy to reduce meter replacements arising from meter failure, *(e)* assess the viability of other forms of metering equipment and *(f)* evaluate the effects of increased flow through of layer particulate matter arising from the use of electro-magnetic and solid state meters. [55747]

Mr. Macdonald: The installation and replacement of water meters is a matter for the water authorities, who also keep under review any alternative metering devices as they become available. There are provisions covering the accuracy and testing of water meters installed for domestic customers by the Scottish water authorities in section 54 of the Water (Scotland) Act 1980, which also provides for customers to challenge the accuracy of meter readings. The Government are currently undertaking public consultations about whether to extend to Scotland the provisions of the Measuring Equipment (Cold-water Meters) Regulations 1988 which apply in England and Wales. We have no other plans to introduce new controls.

European Structural Funds

Mr. Alasdair Morgan: To ask the Secretary of State for Scotland what have been the annual running costs for each year since their establishment, of each of the European programme directives or partnerships for the disbursement of European structural funds; and by what means such costs are scrutinised. [56252]

Mr. Macdonald: The information set out in the table is based on claims received:

Expenditure (£)

Calendar year	*Strathclyde European partnership*	*Eastern Scotland European partnership*	*Dumfries and Galloway European partnership*	*Highlands and Islands partnership programme*
1993	365,217	—	—	—
1994	325,242	10,000	91,400	259,630
1995	400,580	398,000	155,000	371,000
1996	530,630	428,000	171,000	384,900
1997	951,840	718,353	190,500	524,000

Programme Executive budgets are approved by the respective Boards or Joint Management Boards drawn from, and with responsibility, to the various programme partnerships for the operation of the Programme Executives. The partnerships meet 50 per cent. of the costs.

Programme Executive funding is also supported at 50 per cent. from technical assistance from the European Structural Funds. The technical assistance application, and by extension, the overall budget is considered and approved by the Programme Monitoring Committee.

Expenditure and claims for technical assistance are scrutinised in accordance with recognised payment and audit procedures as laid down by the Scottish Office, the National Audit Office and the European Commission.

Prescription Charges (Cancer Treatment)

Mr. David Stewart: To ask the Secretary of State for Scotland if he will estimate the projected cost to the National Health Service in Scotland of extending prescription charge exemptions to include those recovering from cancer. [56165]

Mr. Galbraith: It is not possible to identify separately the cost of items prescribed and dispensed for those people recovering from cancer. The NHS prescription form does not record the medical diagnosis for which a drug has been prescribed.

Mr. David Stewart: To ask the Secretary of State for Scotland what research his Department has evaluated into the effectiveness of Tamoxifen as an anti-cancer treatment; and if he will assess the advantages of extending the exemption from prescription charges to include those who are required to use it as part of their continuing treatment. [56163]

Mr. Galbraith: The Scottish Office Department of Health has not evaluated any research into the effectiveness of Tamoxifen as an anti-cancer treatment.

The current prescription charge exemption arrangements were reviewed as part of the Government's Comprehensive Spending Review. Following the Review, all current prescription charge exemptions will be protected for the rest of the Parliament and existing patient charges will rise by no more than the rate of inflation over the next 3 years.

Extending the list of conditions giving rise to medical exemption would provide help only to those whose income is about the level for help on low income grounds. In the light of competing demands for increased NHS spending, extending the list would not be making the best use of NHS resources.

HEALTH

Breast Cancer

Dr. Gibson: To ask the Secretary of State for Health how much of the £100 million extra National Lottery funds announced by the Prime Minister to be allocated to breast cancer treatment will be used to increase the drug budget for cancer drugs. [56043]

Mr. Boateng: An extra £400 million will be made available to the new opportunities fund (NOF) between now and 2001 to be spent on cancer prevention, treatment and care; green spaces and sustainable communities; and community access to lifelong learning. A consultation paper setting out the new NOF initiatives will be published in the next few weeks before Parliamentary approval of the initiatives is sought. Decisions on funding will be taken once the consultation is completed.

Primary Care Groups

Mr. Willis: To ask the Secretary of State for Health what method of public accountability he intends to introduce to monitor the use of resources by primary health care groups. [56211]

Mr. Milburn: As a committee of the health authority, the primary care group board will be accountable through its chair to the chief executive of the health authority.

Oncologists

Dr. Gibson: To ask the Secretary of State for Health what measures he intends to take to increase the number of oncologists per head of population. [56041]

Mr. Boateng: The Specialty Workforce Advisory Group (SWAG) makes recommendations to the Department about the number of higher specialist trainees needed to meet future requirements for consultants in each specialty, including medical oncology and radiotherapy (clinical oncology). Estimates of future requirements are informed by the views of National Health Service management, the medical profession and other interested parties, who are represented on SWAG. Over the past three years SWAG has made recommendations for increases in medical oncology and radiotherapy, which will result in extra numbers of qualified candidates for consultant posts from 1999/2000 onwards.

Tobacco

Mr. Simon Hughes: To ask the Secretary of State for Health if he proposes to publish the White Paper on Tobacco Control; and if he will make a statement. [56035]

Ms Jowell: We expect to publish the White Paper before the House rises for the Christmas recess. It will set out our comprehensive tobacco control strategy including the timescale for implementation of the tobacco advertising and sponsorship directive in United Kingdom law.

AIDS Support Grant

Mr. Pendry: To ask the Secretary of State for Health when he expects to announce the level of AIDS support grant for the next financial year. [56765]

Ms Jowell: The level of AIDS Support Grant for the next financial year will be £15.5 million (an increase of almost 12 per cent. on 1998–99) and the planning figures for 2000–01 and 2001–02 are £16 million and £16.5 million respectively.

Health Improvement Programmes

Mr. Hesford: To ask the Secretary of State for Health what are the main criteria for the establishment of health improvement programmes; and what progress has been made in the establishment of such programmes. [56652]

Mr. Milburn: Health improvement programmes will be the local strategies for improving health and health care. Health authorities have lead responsibility for their development. They will be expected to do this through a fully inclusive process, engaging primary care groups, National Health Service trusts, local authorities, the voluntary sector, local employers and others, users, carers and local communities. Full guidance on the new arrangements has been issued in Health Service Circular 1998/167 Local Authority Circular (98)23: "Health Improvement Programmes: Planning for Better Health and Better Health Care". Copies are available in the Library.

The first health improvement programmes (HImPs) are to cover the three year period beginning April 1999. They are to be developed through a rolling programme and the first HImPs will need to include plans for their future development.

Physiotherapy Services (West Sussex)

Mr. Loughton: To ask the Secretary of State for Health what assessment his Department has made of the impact of the end of GP fundholding on the provision of physiotherapy outpatient services for patients in West Sussex. [56642]

Mr. Milburn *[holding answer 26 October 1998]:* The Government are committed to building on those elements of the general practitioner fundholding scheme that worked and to extending them to the whole community. Where benefits have been achieved for patients the aim will be to maintain and spread these advantages under the arrangements for shifting fundholders' responsibilities to primary care groups (PCGs) and health authorities.

Whether services, such as physiotherapy, are affordable within the resources available to a PCG will be for the PCG to decide, taking into account equality of opportunity of access to services. The West Sussex Health Authority is concerned to work with its PCGs to offer continuity in services, if at all possible. A first step will be identifying their range and cost. The health authority will then be discussing with each PCG the relative priority they will place on them.

Overhead Power Lines

Miss McIntosh: To ask the Secretary of State for Health what representations he has received on the dangers to health from overhead power lines. [56848]

Ms Jowell: The Department has responded to several representations during this Administration about the possible health effects of electromagnetic fields (EMFs) from power lines and the alleged health effects of EMFs generally, including 9 Parliamentary Questions and 8 letters.

EDUCATION AND EMPLOYMENT

Welfare to Work

Mr. Gordon Marsden: To ask the Secretary of State for Education and Employment how many former incapacity benefit recipients have *(a)* transferred to IS/JSA and *(b)* entered employment at the end of their claim, in each of the last three years. [55939]

Mr. Andrew Smith: The number of people who actually made a claim to unemployment benefits and the number who were placed into employment, in each of the last three operational years, is shown in the table.

	1995–96	*1996–97*	*1997–98*
Total number of new claims taken on behalf of ex-IB claimants	40,257	76,551	109,995
Total number of job placings of ex-IB claimants	920	3,535	5,323

Social Fund

Mr. Harvey: To ask the Secretary of State for Education and Employment if he will place in the Library copies of EU Objective 3 Social Fund application forms used by other European Union member states. [55716]

Mr. Andrew Smith: Officials in the Department of Education and Employment's European Social Fund Unit have written to each member state to request a copy of their current Objective 3 application form. Copies will be placed in the Library when they are received.

GNVQ Courses

Mr. Willis: To ask the Secretary of State for Education and Employment what plans he has to require the publication of GNVQ results and league tables for institutions offering GNVQ courses. [56206]

Ms Estelle Morris: My right hon. Friend the Secretary of State for Education and Employment will publish the Secondary School and College Performance Tables shortly, which will include institutions' results in relevant GNVQs.

The tables for pupils of compulsory school age will include the Part One GNVQ and Foundation and Intermediate GNVQs combined with GCSEs. The tables for 16–18 year olds will include results for Advanced level GNVQs.

Reading

Dr. Cable: To ask the Secretary of State for Education and Employment what advice his Department gives to education authorities on the optimum age at which to commence reading in schools; and what changes there have been in this advice in the last 10 years. [56342]

Ms Estelle Morris: The National Curriculum has always required reading to be taught from the start of compulsory schooling. The National Literacy Strategy "Framework for teaching" sets out reading objectives for each year, including Reception.

Sure Start Programme

Mrs. May: To ask the Secretary of State for Education and Employment how many staff will be employed as outreach workers to visit families under the Sure Start programme; what the cost of the staff will be; and what will be their terms of reference. [56847]

Ms Hodge: Outreach will be a key part of Sure Start and will build on existing infrastructures including those in the health and voluntary sectors. Costs will be met from within the Sure Start budget for England of £452 million over the next three years. The Government will be issuing guidance for Sure Start projects in due course. The exact arrangements for outreach work will be for local projects to decide.

School Standards and Effectiveness Unit

Mrs. May: To ask the Secretary of State for Education and Employment how many staff are currently employed in the School Standards and Effectiveness Unit; and what is the budgeted cost of publications issued by the unit in the current financial year. [56846]

Ms Estelle Morris: As of 30 September 1998 there were 137 staff employed in the Standards and Effectiveness Unit (SEU).

The total budgeted cost of SEU publications in the current financial year is £3.8 million, of which £2 million relates to the implementation of the Literacy and Numeracy Strategies in primary schools.

National Learning Targets

Ms Buck: To ask the Secretary of State for Education and Employment what plans the Government have to announce new national learning targets. [57038]

Mr. Mudie: My noble Friend the Minister for Education and Employment will be announcing new National Learning Targets for England tomorrow. They will cover 16-year-olds, young people post-school, adults and organisations, in addition to the targets for 11-year-olds already announced. Copies will be placed in the Library.

Schools (Hackney)

Mr. Sedgemore: To ask the Secretary of State for Education and Employment if he has authorised the Chief Executive of OFSTED to make public statements on the future control of Hackney's schools; and if he will make a statement. [56910]

Ms Estelle Morris: Her Majesty's Chief Inspector of Schools is free to report on the situation in any school or LEA which OFSTED has inspected.

It is for my right hon. Friend the Secretary of State for Education and Employment to make decisions about the use of his powers under the new School Standards and Framework Act 1998.

Mr. Sedgemore: To ask the Secretary of State for Education and Employment what plans he has to increase resources for Hackney's schools and to raise morale among pupils and teachers. [56911]

Ms Estelle Morris: Hackney currently receives over 40 per cent. more education SSA funding per pupil than the national average. Decisions on resources for individual authorities for 1999–2000 will be announced later in the autumn. At this stage, nothing has been ruled in or out.

Before the end of the year we intend to publish a Green Paper which will set out our vision for the future of the teaching profession. The paper will detail plans for improving the status and morale of teachers by rewarding good teachers in difficult schools and providing a new structure of promotion opportunities. It will also give details of investment to support improved professional development to build on measures already in hand on training, induction and appraisal. I hope that Hackney teachers will play a full part in the consultation process.

Mr. Sedgemore: To ask the Secretary of State for Education and Employment what discussions he or his officials have had with the Chief Executive of OFSTED on handing over control of Hackney's schools to a private company; and if he will make a statement. [56909]

Ms Estelle Morris: No such discussions have taken place.

CULTURE, MEDIA AND SPORT

Piers

Mr. Sanders: To ask the Secretary of State for Culture, Media and Sport what is his policy in respect of the preservation of traditional British seaside resort piers. [55709]

Mr. Alan Howarth: The Government fully support the preservation of historic seaside piers. Public funding is available from English Heritage (or the equivalent agency in Wales, Scotland or Northern Ireland) and from the National Heritage Memorial Fund and Heritage Lottery Fund. To date, the National Heritage Memorial Fund has made three awards, totalling £1.2 million, for the restoration of historic piers, and the Heritage Lottery Fund eight awards, totalling £15 million.

Medieval Villages

Mr. Gordon Prentice: To ask the Secretary of State for Culture, Media and Sport when he plans next to conduct a survey of deserted medieval villages in England; and if he will make a statement. [56171]

Mr. Alan Howarth: Following an earlier survey of deserted medieval settlements in England, English Heritage has identified about 2,000 such sites as possible candidates for either new or continuing statutory protection. Following further research into these sites, 104 such recommendations have so far been made to my Department and a further 50 recommendations are in preparation. Studies are continuing into the other sites.

Dance and Drama Training

Mr. Luff: To ask the Secretary of State for Culture, Media and Sport what assessment he has made of the Arts Council report "Fitness for Purpose" by Edward Birk on the provision of dance and drama training; and if he will make a statement. [56413]

Mr. Alan Howarth *[holding answer 26 October 1998]:* My Department and the Department for Education and Employment are working towards establishing a long term solution to the funding difficulties being experienced by students undertaking vocational studies in dance, drama and stage management. The Arts Council of England's "Fitness for Purpose" report is a helpful contribution to this debate and will inform our consideration of the issues.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Housing Development

Mrs. Ann Winterton: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his oral answer of 20 October 1998, *Official Report*, column 1067, concerning housing development, when he last met members of the housebuilding industry to discuss future housing developments; and if he will make a statement. [56518]

Mr. Raynsford: I last met members of the housebuilding industry at the British Construction Industry Awards on 21 October 1998.

Mrs. Ann Winterton: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his oral answer of 20 October 1998, *Official Report*, column 1067, concerning housing development, if he will list the organisations which were present at the meeting on 19 October to which he referred; where the meeting was held; and if he will make a statement. [56519]

Mr. Raynsford: The meeting was the launch reception of the London Young Labour Councillor Network held in the Jubilee Room of the House of Commons, where I met representatives of the House-Builders Federation and Laing Homes.

Right to Roam

Mr. Yeo: To ask the Secretary of State for the Environment, Transport and the Regions when he will place in the Library the complete set of responses to his consultation document on the Right to Roam. [56363]

Mr. Meacher: Copies of responses to the consultation paper *Access to the Open Countryside in England and Wales* were placed in my Department's Library on 12 October, with the exception of those from respondents who asked that they should not be made available in this way. A list of non-confidential responses has been placed in the Libraries of both Houses.

Housing (South-West)

Mr. Harvey: To ask the Secretary of State for the Environment, Transport and the Regions when he will meet the delegation of South-West Liberal Democrat Members to discuss housing targets in the region. [55696]

Mr. Caborn: The Secretary of State has no plans to meet the delegation of hon. Members and I would refer the hon. Member to the Secretary of State's letter of 5 October to the right hon. Member for Yeovil (Mr. Ashdown) concerning our approach to planning for England's housing needs.

British Rail Property

Dr. Cable: To ask the Secretary of State for the Environment, Transport and the Regions which former British Rail sites, since the privatisation of British Rail, have been sold or leased for developments serviced by road haulage. [56343]

Ms Glenda Jackson: This information is not available.

Dr. Cable: To ask the Secretary of State for the Environment, Transport and the Regions what acreage of unutilised former British Rail land has been allocated to *(a)* Railtrack and *(b)* the British Transport Property Board. [56344]

Ms Glenda Jackson: This information could be compiled only at disproportionate cost.

Dr. Cable: To ask the Secretary of State for the Environment, Transport and the Regions what criteria have been used to divide British Rail land between Railtrack and the British Transport Property Board. [56242]

Ms Glenda Jackson: I understand that when Railtrack was created in 1994 by the previous Government, it was allocated the operational land and those non-operational sites and disused sections of line which stood a realistic prospect of future railways use; BR only retained sites and sections of line which were not thought at the time to meet that criterion.

School Transport

Mr. Kidney: To ask the Secretary of State for the Environment, Transport and the Regions what alternatives to transporting children to and from school by car his Department is actively promoting. [56071]

Ms Glenda Jackson: A wide range of local initiatives to reduce car use on the journey to and from school already exist. My Department is drawing on this work to develop separate guidance on best practice for both local authorities and schools. The School Travel Advisory Group will move forward quickly to raise the profile of school travel issues and identify practical means of influencing behaviour.

Freight Haulage

Mr. Loughton: To ask the Secretary of State for the Environment, Transport and the Regions which United Kingdom freight hauliers have informed him of their intention to register their fleets outside the United Kingdom. [56646]

Ms Glenda Jackson *[holding answer 26 October 1998]:* There is no notification requirement for United Kingdom freight hauliers who intend to register their fleets outside the United Kingdom.

Mr. Loughton: To ask the Secretary of State for the Environment, Transport and the Regions what are his Department's estimates of the number of continental European road freight vehicles carrying United Kingdom loads to United Kingdom destinations as a proportion of total road freight. [56648]

Ms Glenda Jackson *[holding answer 26 October 1998]:* It is estimated that 0.04 per cent. of total road freight activity in the UK is undertaken by European vehicles carrying United Kingdom loads to United Kingdom destinations.

Mr. Levitt: To ask the Secretary of State for the Environment, Transport and the Regions if he will monitor the effect of increasing the allowed maximum weight of lorries on British roads on the balance between rail and road freight haulage. [56159]

Ms Glenda Jackson: My Department will continue to monitor domestic freight transport by mode including the balance of freight between road and rail as well as other modes such as water and pipeline. The effect of heavier lorries on rail will be an important part of the review of the case for heavier lorries which we will be asking the Commission for Integrated Transport to undertake.

Social Housing

Dr. Whitehead: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the extent of a reduction in demand for social housing; and if he will publish the sources and nature of the evidence his Department has collated. [56277]

Mr. Raynsford: Much of the current research on low demand is small scale and based on a diverse range of definitions and methodologies, including estimates

extrapolated from a small number of sample case studies. There is, therefore, a range of disparate figures on the scale and distribution of the apparent reduction in demand for social housing. Evidence from 1997 local authority Housing Investment Programme returns to my Department suggests that the incidence of vacancies in social housing is increasing, particularly in the northern regions.

My Department has recently commissioned Heriot-Watt University to carry out research that will provide robust data on the nature and extent of low demand across all tenures. The research will also identify practical solutions for tackling the complex problems connected with reduced demand. The study will report in late 1999. The research will inform the work of an Action Team set up to tackle the problems of unpopular housing as part of the new national strategy for neighbourhood renewal being brought together by the Social Exclusion Unit.

Genetically Modified Organisms

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his Department's press release of 21 October 1998 in respect of genetically modified crops, *(a)* when the first commercial planting will take place, *(b)* what specific measures are to accompany any such release to prevent possible cross-contamination and *(c)* for what length of time the long-term monitoring arrangement for each individual release is planned to continue. [56653]

Mr. Meacher *[holding answer 26 October 1998]:* The answer is as follows:

(a) We have reached agreement that there will be no commercial planting of insect-resistant genetically modified crops for 3 years and no commercial planting of herbicide-tolerant genetically modified crops for at least 1 year in the first instance and only then if we are satisfied that the evidence shows that they would be unlikely to pose a risk either to human health or the environment either directly or indirectly.

(b) The crops will be grown in compliance with a code of practice being drawn up by the industry body Supply Chain Initiative on Modified Agricultural Crops (SCIMAC). This includes specific measures to ensure separation between genetically modified and non-genetically modified crops to prevent cross-pollination. The exact distances will be determined on a crop by crop basis, but based on current protocols for production of certified seed.

(c) The details of the long term monitoring of the farm-scale plantings to be undertaken in 1999 have yet to be agreed with English Nature and the other conservation interests. We will review the results at the end of the first year. However, I would expect monitoring to continue for about 3 years.

Investment

Mr. Blizzard: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the comparative levels of investment in *(a)* roads and *(b)* railways in each member state of the European Union in the last year for which figures are available. [56759]

Ms Glenda Jackson: 1995 data published by European Conference of Ministers of Transport are given in the table.

1995 investment expenditure in million ecus

Member state	*Roads*	*Railways*
Austria	477	475
Belgium	965	699
Denmark	335	227
Finland	772	235
France	9,088	1,539
Germany	13,924	5,924
Greece	516	—
Ireland	347	35.9
Italy (1993)	6,400	1,775
Luxembourg (1994)	139	18
Netherlands	1,565	504
Portugal	654	200
Spain	4,254	763
Sweden	1,071	1,067
Great Britain	5,314	1,108

Source:
ECMT 'investment in Transport Infrastructure in the ECMT member countries' Working document No. 1

Drug Driving

Mr. Flynn: To ask the Secretary of State for the Environment, Transport and the Regions what proportions of drivers were found to have used *(a)* heroin, *(b)* cannabis and *(c)* alcohol to the breathalyser limit in the tests undertaken on drug driving in the last 12 months for which figures are available. [56505]

Ms Glenda Jackson: Substances found in drivers, by proportion, are: *(a)* opiates—4.4 per cent. (from existing experience approximately one-third of these can be expected to have used heroin); *(b)* cannabis—12.5 per cent.; *(c)* alcohol below the legal limit—8.8 per cent.

This information has been taken from the Department's ongoing survey into the incidence of drugs found in the bodies of road accident fatalities (drivers, riders, passengers, cyclists, pedestrians). In the survey, some drugs are classified by group only.

Local Authority Housing

Mr. Kidney: To ask the Secretary of State for the Environment, Transport and the Regions when his Department intends to publish proposals for changes to the law relating to compulsory purchase; and if his proposals will include a wider power for local authorities to purchase empty homes. [56701]

Mr. Raynsford: An interim report of the fundamental review of compulsory purchase and compensation will be submitted at the end of the year. This will set out recommendations as to changes which can be made in the short term to deliver increased speed, efficiency and fairness to the operation of the system, as well as outlining longer term options for changes to primary legislation. It is too early to predict what recommendations might be forthcoming, although I can confirm that the remit for the review embraces the range of local authorities' compulsory purchase powers, including those relating to housing.

Heavy Goods Vehicles

Mr. Loughton: To ask the Secretary of State for the Environment, Transport and the Regions what estimate

his Department has made of the increase in continental European HGVs on United Kingdom roads since the abolition of cabotage rules on 1 July. [56649]

Ms Glenda Jackson *[holding answer 26 October 1998]:* Estimates of the number of European HGVs on United Kingdom roads are given in Table 2 of 'Road Goods Vehicles Travelling to Mainland Europe', published by the Department, and available in the Library. Figures are not yet available for the period since 1 July. We expect little, if any, change since cabotage accounts for only 0.04 per cent. of total UK road freight activity.

Mr. Loughton: To ask the Secretary of State for the Environment, Transport and the Regions what estimate his Department has made for the costs for a 40-tonne truck and trailer operating in each EU country represented by *(a)* VED rates, *(b)* fuel duty and *(c)* other operating charges. [56645]

Ms Glenda Jackson *[holding answer 26 October 1998]:* My Department does not have the necessary information on these factors in all Member States to make such a comparison.

Any meaningful comparison of the costs of operating a 40 tonne, 5-axle, articulated lorry in all Member States would need to include a wide range of factors. As well as Vehicle Excise Duty, fuel duty and their equivalents, it would need to include tolls, road user charges and normal business and employment taxes and charges. Other important variables include fuel efficiency (some hauliers are nearly twice as fuel-efficient as others), distances travelled, loading factors, and the overheads of the haulier.

Mr. Loughton: To ask the Secretary of State for the Environment, Transport and the Regions what estimate his Department has made of the number of jobs lost in the United Kingdom road freight haulage business since May 1997. [56647]

Ms Glenda Jackson *[holding answer 26 October 1998]:* I regret that information for the period in question is not yet available. The latest figures, which are collected in the annual Employment Survey, relate to 1996. Statistics for 1997 will be available later this year.

Mr. Loughton: To ask the Secretary of State for the Environment, Transport and the Regions what is his Department's estimate of the increase in the cost to United Kingdom HGV operators of each class of vehicle in respect of *(a)* fuel duty, *(b)* vehicle licence duty and *(c)* other environmental charges since the Budget. [56651]

Ms Glenda Jackson: *[holding answer 26 October 1998]:* Since the Budget, UK HGV operators have incurred increases in fuel duty of 6 per cent. above the rate of inflation, for all classes of vehicle. The last Budget did not change VED rates for HGVs, other than to introduce a £500 rebate for vehicles meeting certain emission standards, to be available from January 1999. No other relevant environmental charges were introduced in the Budget.

Mr. Loughton: To ask the Secretary of State for the Environment, Transport and the Regions what estimate his Department has made of the proportion of United Kingdom road freight travelling exclusively on United Kingdom roads which is being commissioned by United Kingdom companies using foreign HGV operators. [56650]

Ms Glenda Jackson *[holding answer 26 October 1998]:* The information is not available.

A12 (Hatfield Peverel Junction)

Mr. Whittingdale: To ask the Secretary of State for the Environment, Transport and the Regions when he expects the improvement scheme for the junction to the A12 at Hatfield Peverel to be carried out. [56441]

Ms Glenda Jackson *[holding answer 26 October 1998]:* I have asked the Chief Executive of the Highways Agency, Mr. Lawrie Haynes, to write to the hon. Member.

Letter from Peter Nutt to Mr. John Whittingdale, dated 27 October 1998:

The Transport Minister, Glenda Jackson, has asked the Chief Executive to reply to your recent Parliamentary Question about the A12 Hatfield Peverel Junction. I am replying in Lawrie Haynes' absence.

At this early stage it is not possible to give you an indication of when work could start. We have just commissioned consultants to look at ways of improving the A12 between Hatfield Peverel and Witham Link Road, including the A12 Hatfield Peverel junction. That work will take about eighteen months to complete. Progress thereafter will depend on the outcome of any statutory procedures which might be necessary, we will take the proposals forward as quickly as practicable. I shall ensure that you are kept informed of developments.

Foxhounds

Mr. Ainger: To ask the Secretary of State for the Environment, Transport and the Regions how many foxhounds he estimates were killed or injured on railway tracks in England and Wales in each of the last five years. [56268]

Ms Glenda Jackson: No official records are kept, but based on the figures provided by the British Transport Police the number for foxhounds killed or injured on the railways in England and Wales are:

Year	*Foxhounds killed or injured*
1998 (to date)	18
1997	14
1996	22
1995	4
1994	18

Road Safety

Ms Drown: To ask the Secretary of State for the Environment, Transport and the Regions what initiatives he is taking to improve road safety in England. [56548]

Ms Glenda Jackson: The Government are taking a number of initiatives to improve road safety. The Integrated Transport White Paper announced that there will be new casualty reduction targets for the year 2010, which will be underpinned by a road safety strategy. The strategy will set out a range of measures for meeting the targets. In addition, my noble Friend the Minister for

Roads and Road Safety last week announced the start of a comprehensive review of speed policy, promised in the White Paper.

National Air Traffic Services

Mr. Jenkin: To ask the Secretary of State for the Environment, Transport and the Regions what steps he will take to establish the value of National Air Traffic Services Ltd. prior to privatisation. [56690]

Ms Glenda Jackson: The final sale route of NATS depends crucially on the details of the public private partnership, on which we are consulting at the moment. It would not be appropriate to give an estimate of the value of the company, which is commercially sensitive, before the sale takes place.

Rail Fares

Mr. Jenkin: To ask the Secretary of State for the Environment, Transport and the Regions when he first evaluated the research by OPRAF published on 22 October concerning trends in fare levels for rail passengers. [56691]

Ms Glenda Jackson: My right hon. Friend received briefing on this research earlier in October.

Highways Agency

Mr. Dennis Turner: To ask the Secretary of State for the Environment, Transport and the Regions if he proposes to undertake a periodic review of the Highways Agency. [57039]

Ms Glenda Jackson: My noble Friend the Minister for Roads and Road Safety has announced today that we are to commence a periodic review of the Highways Agency. The performance of the Agency since its launch will be evaluated and a review of the options for the best management of its functions will be undertaken. It is also an appropriate moment for a review, as we set the Agency a new aim and objectives this Summer, reflecting this Government's new vision for integrated transport in relation to the English trunk road network. The Review will build on the work done during the Integrated Transport and Roads Reviews. We hope to announce the results of the review next Spring.

Sustainable Development

Mr. Burgon: To ask the Secretary of State for the Environment, Transport and the Regions when the Government will respond to the reports by the UK Round Table on Sustainable Development on *(a)* Getting the Best out of Indicators and *(b)* Economic Regulators. [57286]

Mr. Meacher: The Government have today published responses to these two reports by the UK Round Table on Sustainable Development.

"Getting the Best out of Indicators" has made a valuable contribution to the Government's development of a new set of Indicators as the report focused on strategic issues relating to their use and development and gave particular regard to policy and communication. The new Government indicators will, for the first time, include economic and social aspects of sustainable development together with a small group of headline Indicators. The full set of Indicators will be launched early in the new year together with the revised UK Sustainable Development Strategy.

The report on Economic Regulators was considered very carefully in light of the consultation for "A Fair Deal for Consumers" published by DTI in March. We are pleased to have been able to respond positively to many of the Round Table's recommendations, for instance setting up a framework for regulation and issuing statutory guidance on the social and environment objectives.

The Government value the work of the Round Table in helping to take forward the Sustainable Development agenda and I wish to express my gratitude to Sir Richard Southwood and the Round Table for their continued work.

I am placing copies of both the responses in the Library.

Road Tax

Mr. Breed: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the progress of plans to reduce road tax for vehicles with engines of 1600 cc or less. [56036]

Ms Hewitt: I have been asked to reply.

In his Budget speech, on 17 March 1998, *Official Report*, columns 1097–112, the Chancellor announced his intention of introducing a fairer and more environmentally sensitive system of vehicle excise duty. A consultation document setting out the options for reform will be published shortly. Details of the new VED scheme will be determined as a result of that consultation.

ATTORNEY-GENERAL

Masters of Foxhounds

Mr. Ainger: To ask the Attorney-General (1) how many masters of foxhounds have been prosecuted for criminal damage caused by packs of foxhounds in each of the last five years; how many such prosecutions were successful; and what penalties were imposed; [56266]

(2) how many prosecutions have been brought by the CPS against masters of foxhounds for hunt trespass on railway land in each of the last five years; how many prosecutions were successful; and what penalties were imposed. [56269]

The Attorney-General: The Crown Prosecution Service holds no central records in respect of the number of masters of foxhounds prosecuted for criminal offences. The information is held on individual case files and could be obtained only at a disproportionate cost.

DEFENCE

Chemical and Biological Weapons

Mrs. Ewing: To ask the Secretary of State for Defence what changes have been *(a)* made and *(b)* proposed to tighten the regulations on chemical and biological weapons since May 1997. [55048]

Mr. George Robertson: The United Kingdom is a State Party to both the Biological and Toxin Weapons Convention (BTWC) and the Chemical Weapons Convention (CWC). These Conventions prohibit, respectively, biological and chemical weapons. They are applied in the UK by the Biological Weapons Act 1974 and the Chemical Weapons Act 1996. The 1997 Annual Report on the operation of the Chemical Weapons Act was laid before Parliament in February 1998.

The White Paper on Strategic Export Controls, presented to Parliament by the then President of the Board of Trade on 1 July 1998, includes proposals to strengthen the Chemical Weapons Act by making it an offence "to aid, abet, counsel or procure a foreigner overseas to develop, produce or use a chemical weapon".

The White Paper also proposes that prohibitions in relation to biological weapons should be brought into line with the strengthened Chemical Weapons Act.

The UK is playing an active role in the current negotiations in Geneva on measures to strengthen the BTWC, as set out in paragraph 37–38 of Supporting Essay 5 of the Strategic Defence Review. Implementation in the UK of these measures when agreed is likely in due course to require further domestic legislation. The content of that legislation will depend on the content of the agreements reached.

Air Travel Costs

Mr. Key: To ask the Secretary of State for Defence what fees were charged to Bath Travel for the use of the facilities at the Defence Evaluation and Research Agency at Boscombe Down for a commercial flight by Concorde in August; and if those fees have been paid. [55469]

Mr. Spellar *[holding answer 19 October 1998]:* This is a matter for the Chief Executive of the Defence Evaluation and Research Agency. I have asked the Chief Executive to write to the hon. Member.

Letter from John Chisholm to Mr. Robert Key, dated 27 October 1998:

I have been asked to reply to your question about fees charged to Bath Travel for the use of facilities at DERA's airfield at Boscombe Down for a commercial flight by Concorde in August of this year.

The flight, which took place on 12 August, was organised by Bath Travel, a local travel agency, acting on behalf of the tour operator, Cunard Line Ltd.

Bath Travel made no use of DERA facilities at Boscombe Down, having carried out passenger reception and baggage check prior to the arrival of the passengers at the airfield and consequently no charges were levied.

As the tour operator, Cunard Line Ltd. were charged £3,482.18 inclusive of VAT for the airfield services relating to the Concorde flight. The level of charging was determined in accordance with standard Ministry of Defence policy guidance. An invoice was raised on 21 August and payment is awaited.

I hope this is helpful.

Royal Marines

Mr. Hancock: To ask the Secretary of State for Defence how many Royal Marines personnel have left the service on health grounds in each of the last five years. [55809]

Mr. Doug Henderson: I will write to the hon. Member and a copy of my letter will be placed in the Library of the House.

RAF Pilots

Mr. Hancock: To ask the Secretary of State for Defence which RAF squadrons currently have a shortage of trained pilots; and what is the total extent of the shortfalls. [55816]

Mr. Doug Henderson: As at 1 September 1998, 78 established pilot posts on RAF operational squadrons were vacant, out of a total establishment of 957. The following squadrons were affected: nos 1, 2, 3, 4, 5, 6, 7, 10, 11, 12, 13, 14, 17, 22, 25, 27, 29, 30, 32, 33, 41, 43, 47, 51, 54, 70, 72, 78, 101, 111, 120, 202, 206, 216, 230, 617.

Nuclear Disarmament

Mr. Nigel Jones: To ask the Secretary of State for Defence what assessment he has made of the World Court statement of 8 July 1996 relating to the obligation to pursue negotiations on nuclear disarmament under effective international control. [56027]

Mr. George Robertson: We have consistently made clear that we welcome the International Court of Justice's recognition of the importance of the obligations of all States under Article VI of the Non-Proliferation Treaty, including the Nuclear Weapon States' obligations on nuclear disarmament.

Star Wars

Mr. Alan Simpson: To ask the Secretary of State for Defence what involvement Britain has in the continuing US SDI-star wars programme. [55788]

Mr. George Robertson: Britain's involvement in the US SDI-star wars programme (now known as Ballistic Missile Defence (BMD)) consists of research into BMD technologies where there is a common interest.

Aircraft Tyres

Mr. Hancock: To ask the Secretary of State for Defence what is the maximum recommended usage for tyres for each type of RAF aircraft; and what was the *(a)* mean, *(b)* median and *(c)* maximum recorded usage in each of the last three years. [56059]

Mr. Doug Henderson: No maximum recommended usage is prescribed for RAF aircraft tyres. Aircraft tyres are inspected to assess wear and damage after each flight. If the wear or damage exceeds the limits set by the tyre manufacturer, then the tyre is replaced. Detailed information about the levels of tyre usage is not held centrally, and could be provided only at disproportionate cost.

Mr. Hancock: To ask the Secretary of State for Defence what is the annual requirement for tyres for each type of RAF aircraft; and what is the total RAF requirement for aircraft tyres. [56052]

Mr. Doug Henderson: The RAF's total estimated annual requirement for tyres, by aircraft type, is recorded in the table.

Aircraft	*Number of tyres*
BAe 146	35
Hercules	185
Nimrod	343
Harrier	4,561
Tornado	4,049
Puma	92
Sentry	60
Wessex	29
Canberra	23
Dominie/HS125	113
VC10	279
Bulldog	155
Hawk	728
Jaguar	500
Tucano	245
Tristar	185
Chinook	121
Jetstream	167
Sea King	255
Total	12,125

Note:
Figures include new and retreaded tyres

The number of tyres used by each aircraft type each year is not recorded centrally, and could be provided only at disproportionate cost.

Armed Forces Personnel (Marital Breakdown)

Mr. Oaten: To ask the Secretary of State for Defence what research his Department has *(a)* commissioned and *(b)* evaluated into a correlation between marital breakdown among armed forces personnel and the undertaking of extended spells of overseas duty. [55866]

Mr. Doug Henderson *[holding answer 22 October 1998]:* To the best of my knowledge my Department has not commissioned or evaluated any specific research of this nature.

Mr. Oaten: To ask the Secretary of State for Defence if he will list the number of known incidences of marital breakdown in the armed forces *(a)* in total and *(b)* relative to the rate in the population as a whole in each of the last five years. [55864]

Mr. Doug Henderson *[holding answer 22 October 1998]:* My Department does not hold statistics of the nature requested.

Mr. Oaten: To ask the Secretary of State for Defence what measures are in place to ensure that the armed forces provide counselling and support for personnel involved in marital breakdown. [55865]

Mr. Doug Henderson *[holding answer 22 October 1998]:* The Armed Forces attach great importance to the welfare of their people.

All three Services provide specialist welfare staff, in the UK and overseas, who offer Service personnel counselling and support on a wide range of social issues, including marital breakdown. The Royal Navy and the Army have recently set up confidential support telephone helplines for Service personnel and their dependants for all welfare related issues, whilst the Royal Air Force has a similar facility for personnel which deals with cases of racial or sexual harassment.

As part of the overall welfare provision, the Armed Forces also provide personnel and their families with advice on coping with separation while personnel are away from home on duty, and managing homecomings.

The full range of healthcare and social services provided by central and local government in the U.K., are available to the Service community; the Services seek to replicate these facilities overseas wherever practicable.

Within the U.K., Service families will be subject to the requirements of the Family Law Act 1996 when it comes into effect next year. Responsibility for implementation of this rests with the Lord Chancellor's Department. Overseas, where MOD voluntarily aims to replicate U.K. practice where possible, the Armed Forces are actively examining how the Act can be implemented in light of circumstances and conditions of service.

HOME DEPARTMENT

Terrorist Suspects (Interviews)

Mr. Mullin: To ask the Secretary of State for the Home Department what steps have been taken to make available audio-recording facilities for interviews with persons arrested under the Criminal Justice (Terrorism and Conspiracy) Act 1998; and if he will make a statement. [55994]

Mr. Straw: A number of steps have recently been taken with regard to the tape recording of interviews with terrorist suspects. These would therefore apply in circumstances where a suspect was being questioned in connection with the offence of being a member of a specified and proscribed organisation, as set out in section 2 of the Prevention of Terrorism (Temporary Provisions) Act 1989 (PTA) or section 30 of the Northern Ireland (Emergency Provisions) Act 1996, as amended by sections 1 and 2 of the Criminal Justice (Terrorism and Conspiracy) Act 1998 respectively.

In Scotland, interviews with terrorist suspects have not thus far generally been audio recorded. However, in the context of the passage of the 1998 Act, it was decided that such interviews should be tape recorded in future. Police forces in Scotland are currently considering what arrangements need to be put in place to accommodate this change in practice.

In Northern Ireland, section 53A of the Northern Ireland (Emergency Provisions) Act 1996, as inserted by the Northern Ireland (Emergency Provisions) Act 1998, makes statutory provision for police interviews with terrorist suspects to be audio recorded. Section 53A requires a draft Code of Practice to be drawn up, put out for consultation and brought into effect by Orders subject to the affirmative resolution procedure. The draft Code of Practice was published yesterday for public consultation.

In England and Wales, the police already audio record, on a voluntary basis, interviews with those arrested under the Prevention of Terrorism (Temporary Provisions) Act 1989.

It is envisaged that interviews with suspects arrested in connection with the conspiracy provisions in sections 5–7 of the Criminal Justice (Terrorism and Conspiracy) Act 1998, but in respect of non terrorist-related offences, would be dealt with under the usual arrangements in each jurisdiction for police interviews of non-terrorist suspects. As such, where in England and Wales or Northern Ireland, the suspect is being interviewed in connection with an indictable offence (including an offence triable either way), or in Scotland an imprisonable offence, interviews would be audio recorded.

The forthcoming consultation paper on permanent United Kingdom wide counter-terrorist legislation will look at the audio recording of interviews with terrorist suspects in the context of a wider review of detention arrangements.

Metropolitan Police

Dr. Cable: To ask the Secretary of State for the Home Department how many *(a)* recruitments to, *(b)* retirements from, *(c)* resignations from and *(d)* applications to join the Metropolitan Police there were in each month from January to October. [56241]

Kate Hoey: The Commissioner of the Metropolitan Police provided the information requested, as follows:

1998	*(a) Recruits*	*(b) Retirements*	*(c) Resignations*	*(d) Applications to join*
January	98	98	19	438
February	75	68	25	623
March	3	123	18	757
April	1	67	31	315
May	159	94	30	269
June	160	80	35	768
July	186	126	28	704
August	184	127	32	554
September	176	107	27	411
to 22 October inclusive	—	62	11	319
Total	1,042	952	256	5,158

Immigration and Nationality Directorate

Mr. Clappison: To ask the Secretary of State for the Home Department (1) what is his most recent projection of the number of staff to be employed in the Immigration and Nationality Directorate in each of the next four years; [56186]

(2) what is his most recent projection of the number of immigration officers in each of the next four years. [56187]

Mr. Mike O'Brien: Detailed plans, including staffing projections, for the Immigration and Nationality Directorate have still to be finalised.

Mr. Clappison: To ask the Secretary of State for the Home Department how many staff were employed in the Immigration and Nationality Directorate on 1 May 1997; and how many were employed at the most recent available date for which figures are available. [56185]

Mr. Mike O'Brien: Figures for May 1997 are not readily available, but on 1 April 1997 the total number of staff employed in the Immigration and Nationality Directorate was 5,687. The current number is 5,615.

Mr. Clappison: To ask the Secretary of State for the Home Department how many computer systems have been installed in the Immigration and Nationality Directorate since 1 May 1997 which were not planned for on 1 May 1997; and how many have been planned for the directorate since 1 May 1997. [56169]

Mr. Mike O'Brien: The Immigration and Nationality Directorate's (IND) Information Technology (IT) needs over the next few years will be met mainly through the Casework Programme System. We also announced in the White Paper "Fairer, Faster and Firmer—A Modern Approach to Immigration and Asylum" that we would undertake a study of options for using IT to support the integration of pre-entry, on-entry and enforcement activity and to help modernise the labour intensive process of passenger clearance.

In addition, the following 11 major systems have been both planned and installed in IND since 1 May 1997:

File Tracking System Upgrade
E-mail External Links and enhancements
Home Office Directory 2
Operational Planning and Support Service
Corporate Desktop
Angel Square Presenting Officer Unit Desktop Support
Strategy and Legislation Team Desktop Support
Asylum and Appeals Policy Desktop Support
Asylum Support Team Desktop Support
Carriers' Liability Replacement
Immigration Service Enforcement Forgery System
Internet Information Services.

The following 10 major systems have been planned in the IND since 1 May 1997, but are yet to be fully implemented:

Building and Accommodation Services Help Desk
Personnel Management Training Support System
INDIS—Intelligence Section Database
Personnel Open Learning System
Delmis—Detention Management Database
Detention Accounts Replacement
POISE Desktop in IND (Corporate Desktop Applications including Internet)
IT2000 in IND (Corporate Desktop and Business Changes for the new Millennium)
Applix Help Desk—IT Service Help Desk
Asylum Fingerprinting Bureau Replacement.

214 individual applications and small system implementations have been planned and installed since 1 May 1997; 120 have been planned since 1 May 1997 but are yet to be implemented.

Asylum Casework

Mr. Clappison: To ask the Secretary of State for the Home Department how much investment in the determination of asylum casework has been made since 1 May 1997; and how much new investment has been planned since 1 May 1997. [56167]

Mr. Mike O'Brien: The estimated cost to the Home Office of processing asylum applications, excluding most overheads in 1997–98, was about £14 million. In 1998–99, up to £15 million is available.

We announced in the White Paper "Fairer, Faster and Firmer—a Modern Approach to Immigration and Asylum" that the Immigration and Nationality Directorate spending limits will increase by £120 million over three years from April 1999. One of the key objectives of this investment is to speed up the handling of asylum applications. By increasing the number of asylum cases decided to 59,000 in 1999–2000, 65,000 in 2000–01, and 65,000 in 20001–02 the Government aim is (on current intake forecasts) that, by April 2001, the backlog will be cleared and decision times will be two months or less.

Extradition (Spain)

Mr. Clappison: To ask the Secretary of State for the Home Department how many requests the United Kingdom has received from Spain for the extradition of persons to Spain in each of the last five years; and how many have been *(a)* granted and *(b)* refused. [56254]

Mr. Straw: The information is given in the table.

Year	*Number of requests sought by Spain*	*Requests granted*	*Requests refused*
1993	7	1	2
1994	11	—	2
1995	8	2	—
1996	6	—	1
1997	6	—	—
Total	38	3	5

Note:
Of the 30 requests unaccounted for:
7 were withdrawn;
23 are outstanding

Mr. Clappison: To ask the Secretary of State for the Home Department how many requests by the United Kingdom for the extradition of persons from Spain are currently outstanding. [56253]

Mr. Straw: The number of extradition requests to Spain outstanding is 25.

Mr. Clappison: To ask the Secretary of State for the Home Department how many requests by the UK for the extradition of persons from Spain have been *(a)* granted and *(b)* declined in each of the last five years. [56274]

Mr. Straw: The information is given in the table.

Year	*Requests by United Kingdom*	*Requests granted*	*Requests refused*
1993	7	4	—
1994	13	9	1
1995	15	6	—
1996	17	8	1
1997	8	2	—
Total	60	29	2

Of the 29 requests unaccounted for:
1 fugitive was discharged by Spanish courts;
1 fugitive returned voluntarily;
14 requests were withdrawn by the United Kingdom; and
13 remain outstanding.

Policing

Mr. Clappison: To ask the Secretary of State for the Home Department what research his Department has *(a)* commissioned and *(b)* evaluated into the targeted policing of areas; and if he will publish it. [56181]

Mr. Michael: The Home Office has carried out many studies of various aspects of targeted policing. Relevant studies carried out in the last three years are:

Combating burglary: an evaluation of three strategies (Operation Bumblebee)—published 1995.

Policing problem housing estates—published 1996.

Problem Oriented Policing: Brit Pop—published 1996.

Tackling local drug markets—published 1997.

Biting back: reducing repeat victimisation in Huddersfield—published 1997.

Tackling street robbery: an evaluation of Operation Eagle Eye—published 1998.

Most recently, we launched "Brit-Pop II: Problem Oriented Policing in practice" at the first United Kingdom National Problem Oriented Policing conference, attended by many police forces, local authorities and representatives of other organisations.

Current work—all due for publication in 1999—is set out as follows:

Reducing domestic violence in Killingbeck.

Solving residential burglary—targeting in-progress burglaries.

Preventing repeat burglary in Cambridge.

Proactive policing on Merseyside.

Policing anti-social behaviour.

Evaluation of crackdown and consolidation strategy in Boggart Hill.

Evaluation of burglary reduction in Middlesborough.

Market reduction initiative against theft in the Medway towns.

Drug markets and street prostitution.

Situational approaches to policing drug markets.

Reducing repeat bank robbery.

Illegal parking in disabled bays.

Asylum Seekers

Mr. Clappison: To ask the Secretary of State for the Home Department, pursuant to the letter of 24 August 1998 from the Parliamentary Under-Secretary of State, the hon. Member for North Warwickshire (Mr. O'Brien), if the 20 people of Albanian origin who were located in Hounslow after entering the country clandestinely remain in the United Kingdom. [56256]

Mr. Mike O'Brien: Shortly after the incident on 3 July, a group of 22 ethnic Albanians from the Kosovo region of the Federal Republic of Yugoslavia reported to Lunar House in Croydon, saying they had been directed there by the Hounslow police. I believe the two groups are one and the same. They applied for asylum and I understand that their applications are awaiting consideration.

Fiona Mactaggart: To ask the Secretary of State for the Home Department how many employers have been *(a)* investigated, *(b)* charged, *(c)* prosecuted and *(d)* convicted under section 8(1) of the Asylum and Immigration Act 1996, to the latest convenient date. [56464]

Mr. Mike O'Brien: To date, the approach of the Immigration Service towards the enforcement of section 8 of the Asylum and Immigration Act 1996 has been that where, in the course of normal operational activity, an employer is found to have breached section 8, they will be advised of its provisions and issued with a warning letter. Among other things, this warns them that, if they continue to offend, consideration will be given to prosecution. There is no central record of the number of such letters which have been issued: and there have been no prosecutions to date.

This will continue to be our normal approach. However, as we made clear in the White Paper "Fairer, Faster and Firmer—A Modern Approach to Immigration and Asylum", where there is evidence of organised racketeering and the exploitation of vulnerable groups of overseas workers, we will encourage the early referral of the case to the prosecuting authorities.

Handguns

Mr. Clappison: To ask the Secretary of State for the Home Department how many offences involving *(a)* airguns, *(b)* handguns and *(c)* shotguns were committed in the period (i) 12 months prior to the imposition of the ban on the ownership of handguns and (ii) 12 months following the imposition of the ban. [56175]

Mr. Michael: The readily available information relates to the period nine months before and nine months after the prohibition of the larger calibre handguns (those in excess of .22 calibre) on 1 July 1997. (All handguns were prohibited from 1 February 1998.)

543 notifiable offences were recorded by the police in which shotguns were reported to have been used in the period 1 October 1996 to 30 June 1997, and 420 in the period 1 July 1997 to 31 March 1998.

The figures for handguns were 2,200 and 1,951 respectively.

Similar information is not available centrally for air weapon offences, as only annual returns are made by police forces.

Prisoners (Drug Prescriptions)

Mr. Flynn: To ask the Secretary of State for the Home Department what levels of dose of *(a)* Largactil, *(b)* chloral hydrate, *(c)* tranquillisers and *(d)* other neuroleptic drugs are given to women prisoners on *(a)* admission to prison and *(b)* discharge from prison. [56056]

Mr. George Howarth: The dose of medication required in any particular case is a matter for the responsible prison doctor to decide in the light of the diagnosis, the assessed clinical needs of the patient and the guidance provided by the British National Formulary.

Mr. Flynn: To ask the Secretary of State for the Home Department what recommendations are laid down by his Department for the prescribing of *(a)* Largactil, *(b)* tranquillisers, *(c)* chloral hydrate and *(d)* neuroleptic drugs to prisoners. [56054]

Mr. George Howarth: Prison Service Health Care Standard 9 provides general guidance about prescribing practices, which must comply with legal requirements and conform to relevant professional codes. In prescribing particular drugs, prison doctors would be guided by the assessed clinical need and the information provided by the British National Formulary.

Holloway Prison

Mr. Flynn: To ask the Secretary of State for the Home Department what assessment he has made of the disturbance by prisoners in HMP Holloway on 13 August; and what action he is taking to avoid a re-occurrence. [56055]

Mr. George Howarth: There has been a series of incidents at Holloway prison in recent months which were connected to the non-issue of medication to prisoners. Clearly, there are concerns about the failure to provide medication. As a result, the governor has instituted an inquiry which will be conducted by the deputy governor, with the assistance of a senior nursing adviser from Prison Service headquarters. This inquiry commenced today.

Emma Humphries

Mr. Flynn: To ask the Secretary of State for the Home Department what drugs were prescribed for the late Emma Humphries during her years in prison; and for what periods they were prescribed. [56053]

Mr. George Howarth: Medical information about individual prisoners is confidential and rights of access are given only to those eligible under the provisions of the Access to Health Records Act 1990. It would not therefore be appropriate to publish the information sought.

Deportations

Mr. Hancock: To ask the Secretary of State for the Home Department how many prisoners currently in the United Kingdom are expected to be deported on completion of their prison sentence; and how many of these had deportation orders added to their sentence without the recommendation of a court. [56063]

Mr. Mike O'Brien: Reliable information on those persons currently serving a prison sentence who may be liable to, or are subject to, deportation action can be obtained only at disproportionate cost.

The available information, relating to persons recommended for deportation by a court, and to persons issued with notices of intention to deport on grounds conducive to the public good following conviction for a criminal offence, is given in the table.

Deportation recommended by a court [1] or on grounds conducive to the public good [2] following conviction for a criminal offence, 1994–1998 [3]

	Number of persons				
	1994	*1995*	*1996*	*1997 [4]*	*1998 [4,5]*
Court recommendations made[1]	350	390	370	360	170
Notices of intention to deport—on grounds conducive to the public good following a criminal conviction[2]	120	80	120	90	50

[1] Under section 3(6) of the Immigration Act 1971
[2] Under section 3(5)(b) of the Immigration Act 1971
[3] Data are rounded
[4] 1997 and 1998 data are provisional
[5] 1998 data are for 1 January to 30 June only

Essex Police Authority

Mr. Bob Russell: To ask the Secretary of State for the Home Department how much additional finance will be allocated to the Essex Police Authority when it becomes responsible for areas of the county currently served by the Metropolitan Police. [56151]

Mr. Michael: The change to the boundaries of the Metropolitan Police District will result in a re-allocation of grant between Essex Police and the Metropolitan Police from 2000–01, but it is too early to give an estimate of the amounts involved. I discussed this point with the outer London Metropolitan Police Group last week. There are complex issues of detail arising from the transfer and my officials will be discussing these issues carefully with both the Metropolitan Police and the relevant county forces during the coming months.

Police grant is allocated according to a formula which reflects the relative policing needs of different areas. The formula is built up from a number of components. We are considering the implications of the changes to the boundaries for the distribution of police grant under the formula.

Immigration

Fiona Mactaggart: To ask the Secretary of State for the Home Department how many cases involving organised immigration racketeering his Department has referred for prosecution in each year since 1990; and with what results. [56465]

Mr. Mike O'Brien: The Immigration Service and the police work closely together to investigate cases of suspected immigration racketeering. However, it is for the police to decide whether or not to refer a case to the Crown Prosecution Service (CPS) and for the CPS to decide whether or not a prosecution should be brought.

Under Section 25(1) of the Immigration Act 1971, it is an offence to secure or facilitate the entry of illegal entrants to the United Kingdom. The table shows the numbers of prosecutions and convictions in England and Wales under this section since 1990.

Number of defendants prosecuted at magistrate's courts and convicted at all courts for offences [1] under Section 25(1) of the Immigration Act 1971 as amended [2], 1990–1997 [3] England and Wales

	Prosecutions	*Convictions*
1990	46	32
1991	73	47
1992	63	56
1993	33	28
1994	124	38
1995	175	111
1996	153	123
1997[1]	181	130

[1] Principal immigration offence
[2] As added by Section 5 of the Asylum and Immigration Act 1996
[3] Provisional

City Status

Ms Jenny Jones: To ask the Secretary of State for the Home Department when the next award of city status will be made. [57155]

Mr. Straw: Her Majesty has expressed the intention of marking both the Millennium and the 50th Anniversary of Her Accession to the Throne by grants of city status. Towns which have expressed an interest in this honour will be contacted in due course and invited to submit formal applications.

Ministerial Engagements

Mr. Clappison: To ask the Secretary of State for the Home Department if he will list his engagements and the engagements of his ministerial team on Wednesday 21 October. [56849]

Mr. Straw: I had two meetings in the Home Office in the morning and then went to the House for three more meetings and to attend Prime Minister's Questions. I remained in the House for the Report and Third Reading of the Human Rights Bill.

The Minister of State, my hon. Friend the Member for Cardiff, South and Penarth (Mr. Michael), held a number of meetings in the Home Office, spoke at a Crime and Disorder seminar and at a Foreign Press Association Conference on Youth Crime, and was with me during one of my meetings in the House.

The Minister of State, my noble Friend Lord Williams, had meetings in the Welsh Office, the Home Office, Millbank, the House of Commons and the House of Lords.

The Under-Secretary, my hon. Friend the Member for North Warwickshire (Mr. O'Brien), joined me for meetings on the Human Rights Bill and attended the report and third reading in the House. He also had a hospital appointment in preparation for an official visit to Africa next week.

The Under-Secretary, my hon. Friend the Member for Knowsley, North and Sefton, East (Mr. Howarth), spent the day in Sheffield visiting the Fire Service.

The Under-Secretary, my hon. Friend the Member for Vauxhall (Kate Hoey), held meetings in the Home Office for most of the day, and joined me for one of my meetings in the House.

General Pinochet

Mr. Clappison: To ask the Secretary of State for the Home Department what representations he received regarding Augusto Pinochet prior to his arrival in the United Kingdom for his current visit; and when he received such representations. [56234]

Mr. Straw: I received no such representations.

Mr. Clappison: To ask the Secretary of State for the Home Department what requests his Department received for Augusto Pinochet to be interviewed; when he received such requests; and what factors he will take into account in responding to such requests. [56263]

Mr. Straw: Requests made by judicial and law enforcement authorities overseas for persons in the United Kingdom to be interviewed on a voluntary basis in connection with criminal investigations or proceedings are made through the United Kingdom Central Bureau of Interpol (Interpol London) at the National Criminal Intelligence Service and executed directly by the police or other law enforcement agencies. Where such requests are made directly to the Home Office they are referred to the police to execute.

The 5th Central Magistrate's Court in Madrid contacted the Metropolitan Police via Interpol on 14 October.

Requests made by courts overseas for statements to be made on oath or to be conducted before a judicial authority in England and Wales are made directly or indirectly to the Home Office. The Secretary of State may, if he thinks fit, nominate a court in England and Wales under section 4 of the Criminal Justice (International Co-operation) Act 1990 to receive such of the evidence requested as the court considers appropriate for the purpose of executing the request.

On 19 October, Interpol London received a request for Augusto Pinochet to make a statement. The request was made under the 1959 European Convention for Mutual Assistance in Criminal Matters, for which the Home Secretary is the designated United Kingdom Central Authority.

As the Secretary of State I will consider whether the request is for evidence to be taken before a court in England and Wales and one for which the exercise of his powers under section 4 of the 1990 Act would be appropriate. If the Secretary of State considers the request is not one for which the nomination of the court would be appropriate, or the requesting authority clarifies that a voluntary statement would be sufficient for its purpose, the request will be passed to the Metropolitan Police to execute.

Mr. Clappison: To ask the Secretary of State for the Home Department how many times Augusto Pinochet visited the United Kingdom since 1 May 1997, prior to his present visit; and when he was notified of each such visit. [56237]

Mr. Straw: In reply to a question from my hon. Friend the Member for Walsall, North (Mr. Winnick) on 22 October 1998, *Official Report*, column *1206* about visits made by Senator Pinochet to the United Kingdom in the last five years, I explained that I understood that there had been five such visits, including the current only. I set out the dates on which I understood he had made the other four visits as: February and June 1994; October 1995; and October 1996. In answering the question, I took account of all the information available within my Department at the time.

I regret that it is now clear that, although my answer properly reflected my—and my Department's—understanding of Senator Pinochet's visits to the United Kingdom during the period in question, it did not take account of one further visit made by Senator Pinochet in the period since 1 May 1997, which had not been brought to the attention of the Home Office. I would therefore like to take this opportunity to clarify the position for the benefit of the House.

I can confirm that Foreign and Commonwealth Office officials have, since my answer, informed officials in the Home Office that, in addition to those visits made prior to 1 May 1997 of which the Home Office had been made aware, Senator Pinochet had also visited the United Kingdom in September 1997. There is, however, no Home Office record of that visit. A landing card should have been completed, as for any other visit, but these are not retained by the Immigration and Nationality Directorate in the case of routine visits.

Had I been aware of this visit I would, of course, have included a reference to it in my reply to the earlier question.

I have written to my hon. Friend the Member for Walsall, North to express my regret for this inaccuracy. A copy of my letter has been place in the Library.

Mr. Clappison: To ask the Secretary of State for the Home Department what representations he has made concerning Augusto Pinochet; and when he made them. [56271]

Mr. Straw: I have made no such representations.

Mr. Clappison: To ask the Secretary of State for the Home Department when he was notified of the intention of Augusto Pinochet to travel to the United Kingdom to make his current visit. [56236]

Mr. Straw: Neither I nor my Department was notified in advance of Senator Pinochet's intention to travel to the United Kingdom. As a Chilean national, Senator Pinochet does not require a visa to visit the United Kingdom.

Mr. Clappison: To ask the Secretary of State for the Home Department what steps he plans to take in respect of the proposed extradition of Augusto Pinochet. [56265]

Mr. Straw: I refer the hon. Member to my reply to my hon. Friend the Member for Walsall, North (Mr. Winnick), on 22 October 1998, *Official Report,* column *1205.*

Mr. Clappison: To ask the Secretary of State for the Home Department what representations he received from the Spanish authorities on the possible issue of a warrant for the arrest of Augusto Pinochet prior to the issue of such a warrant; and when. [56853]

Mr. Straw: I received no such representations.

Mr. Clappison: To ask the Secretary of State for the Home Department when he was informed of Augusto Pinochet's planned date of departure from the United Kingdom on his most recent visit; and if he passed that information to *(a)* the authorities of another country and *(b)* another body. [56854]

Mr. Straw: I was not informed of Senator Pinochet's planned date of departure from the United Kingdom on his most recent visit.

Mr. Jenkin: To ask the Secretary of State for the Home Department if the public statements made by the Secretary of State for Trade and Industry concerning the arrest of General Pinochet in London represent Government policy. [56694]

Mr. Straw: The arrest of Senator Pinochet is not a matter of Government policy. The decision to issue a provisional warrant is for the Bow Street Magistrate, under section 8(1)(b) of the Extradition Act 1989, in response to a request from an extradition partner.

Foreign Visitors

Mr. Clappison: To ask the Secretary of State for the Home Department on how many occasions he has declined the request of a visiting group of MPs from another country for a meeting with a minister from his Department. [56851]

Mr. Straw: Whenever requests for meetings are received from Members of Parliament of another country, I and my colleagues and officials in my Department do our best to fulfil them. On some occasions this unfortunately proves not to be possible. For example, on Tuesday 20 October my office was asked by the Chilean Embassy if I was available to see a delegation of Chilean Opposition Parliamentarians to take receipt of a letter. My office said that I was not available but that my Private Secretary could take receipt of the letter. I have written further to the hon. Member about this matter. My Department does not, however, keep records for visits from MPs from other countries which are declined.

Mr. Clappison: To ask the Secretary of State for the Home Department if he will list the occasions on which he or a member of his ministerial team have met Members of Parliament from another country in the course of their visit to the United Kingdom. [56850]

Mr. Straw: No central record is kept of meetings held with Members of Parliament from other countries. The list cannot therefore be guaranteed to be comprehensive.

Date	
The Home Secretary met:	
20 June 1997	John Howard, Australian Prime Minister
24 June 1997	The Hon. Jan Wade MP, Victoria State Attorney General
11 September 1997	Bangladeshi Foreign Minister
25 September 1997	Luxembourg Minister of Justice
3 November 1997	Mauritius Prime Minister
1 December 1997	Jose Maria Gil-Robles, President of European Parliament
8 December 1997	Frank Jensen, Danish Minister of Justice
18 December 1997	Georges Romeos, Greek Public Order (Security) Minister
20 January 1998	Istrvan Nikolits, Hungarian Security Minister
4 March 1998	Gustav Krajci, Slovak Interior Minister
7 April 1998	Mme Guigou, French Minister of Justice
7 April 1998	Canadian Minister, Andy Scott
11 May 1998	Major Rafiqul Islam, Bangladeshi Minister for Home Affairs
11 June 1998	Wong Kan Seng, Singaporean Minister for Home Affairs
18 June 1998	Russian Interior Minister, Sergei Stepashin
17 September 1998	Bahrain Minister of the Interior
14 October 1998	President Zedillo, Mexico
20 October 1998	Jan Kavan, Czech Foreign Minister
Alun Michael met:	
3 June 1997	Dr. Nsinela, South African Minister of Justice
13 August 1997	Mr. Foss, The Attorney General, Australia
7 April 1998	Mme Guigou, French Minister of Justice
16 June 1998	Nelson Mandela
10 July 1998	Frank Fahy, Irish Minister for Health
24 August 1998	Paul Varul, Estonian Justice Minister

Date	
Lord Williams met:	
7 January	Vjjal Dosanijh—Attorney General
	Maureen Maloney—Deputy Attorney General, British Columbia
21 January	Dr. Raul Granillo Ocampo—Minister of Justice, Argentina
19 March	Mr. Marat Baglai—Chairman of the Constitutional Court, Russia
9 April	Mr. Chris Sidoti—Australian Human Rights Commissioner, Australia
28 April	Mr. Zhang Geng—Vice Minister of Justice, China
29 April	Dr. Fernando Maurett—Member of the Lower Chamber of Parliament, Argentina
21 May	M. Montebourg—Deputy French Parliament. France
2 July	Mr. Murray Thompson MP, Australia
	Hon. Maree Luckins, Australia
	Mr. Carlo Carli MP, Australia
	Mr. Bob Cameron MP, Australia
21 July	Justice Sophia Akuffo—Justice of the Supreme Court, Ghana
30 July	Mr. Khalid Anwer—Minister of Law, Justice and Human Rights, Pakistan
	Waseem Afzal—Joint Secretary, Pakistan
	Javeed Iqbal—Deputy High Commissioner in the United Kingdom, Pakistan
2 October	Chaudry Mohammad Farooq—Attorney General, Pakistan
	Khraar Quireshi (Aide)
George Howarth met:	
7 July 1997	Rodney Lopes Ambassador, Cuba
15 September 1997	Timothy E. Wirth, United States Under Secretary of State for Global Affairs
29 October 1997	Dr. Carlos Tablante, Minister for Venezuela
12 November 1997	Widar Andersson, Political Adviser, Swedish Prime Minister
19 January 1998	His Excellency Sar Kheng, Deputy Prime Minister for Cambodia
4 March 1998	Mr. Vorobiev, Russian Minister
15 May 1998	Snr. Costa Bauer, Peru
20 May 1998	Peino Arlacchi, Executive Director of United Nations Drug Control Programme
8 July 1998	Snr. Sottolongo, Cuban Justice Minister
7 October 1998	Kurban Boymuradov, Uzbekistan Deputy Prime Minister
Joyce Quin met:	
3 June 1997	Dr. Mzimela, South African Prisons Minister
	David Simmons, Barbadian Attorney General
26 June 1997	Colonel Turlajs, Latvian Interior Minister
18 September 1997	Kurt Schelter, German Interior Minister
12 November 1997	Valeriu Stoica, Romanian Minister of Justice
25 November 1997	European Parliament Civil Liberties and Internal Affairs Committee
1 December 1997	Jose Maria Gil-Robles, President of the European Parliament
18 December 1997	Georges Romeos, Greek Public Order Minister
18 March 1998	European Parliament Institutional Affairs Committee (6 MEPs)
23 March 1998	Bogomil Bonev, Bulgarian Interior Minister
24 March 1998	Alan Turk and Michel Dreyfus-Schmidt, French Senators
25 March 1998	George Anastassopoulos, Greek MEP
6 April 1998	Andy Scott, Canadian Prisons Minister
20 April 1998	Jussi Jarventaus, Finnish Justice Minister
31 June 1998	Hon. Dr. Peter Machungwa, Zambian Home Affairs Minister
21 July 1998	Polish Minister of the Interior and Deputy Prime Minister
Mike O'Brien met:	
4 November 1997	Mr. Bratinka, Minister Without Portfolio, Czech Republic
12 November 1997	Chief Buthelezi, Interior Minister, South Africa
11 May 1998	Home Affairs Minister, Bangladesh
18 May 1998	Mr. Atanasov, Interior Minister, Bulgaria
27 May 1998	Security Minister, Ivory Coast
9 June 1998	Mr. Bradford, Immigration Minister, New Zealand
24 June 1998	Mr. Winkler, Deputy Foreign Minister, Czech Republic
19 October 1998	Mr. Kavan, Foreign Minister, Czech Republic and Mr. Uhl, Human Rights Monitor, Czech Republic

Speed Cameras

Ms Drown: To ask the Secretary of State for the Home Department what assessment he has made of *(a)* the effectiveness and *(b)* the cost-effectiveness of speed cameras as (i) a deterrent to speeding and (ii) a means of reducing accidents. [56547]

Mr. Michael: The Home Office study, "Cost Benefit Analysis of Traffic Light and Speed Cameras", which was published in August 1996, has shown that the use of speed cameras is cost effective and highly successful in detecting offences. It is also successful in modifying the behaviour of drivers and reducing road casualties. A copy of the Study has been placed in the Library.

The Government are committed to improving road safety and strongly support the police service in their use of enforcement technology. We are reviewing the current funding arrangements for these cameras to see what more might be done.

TRADE AND INDUSTRY

Defence Exhibitions

Ann Clwyd: To ask the Secretary of State for Trade and Industry if he will list *(a)* the value of financial support provided to United Kingdom companies attending, *(b)* those Ministers and other Government officials who attended and the cost of their attendance and *(c)* any other costs incurred by his Department in connection with (i) IMDEX Asia 97, (ii) Paris Air Show 1997, (iii) IDEF 97, (iv) IMDEX 97, (v) the Underwater Defence Technology Conference and Exhibition, (vi) the International Defence and Security Technology Fair, Brno, Czech Republic, (vii) the 3rd International Civil and Military Aerospace Exhibition, Prague and (viii) the 3rd Central European Defence Equipment and Aviation Exhibition and Conference, Budapest. [54165]

Mr. Wilson: The financial support provided by my Department under the Trade Fair Support Scheme (TFSS) to companies attending the Paris Air Show 97 and IDEF 97 is as follows:

Event	*Companies supported*	*Total funding (£)*
Paris Air Show 97	38	133,187
IDEF 97	8	67,850

No support was provided under the Trade Fair Support Scheme for any of the other events listed.

The then President of the Board of Trade, the Minister for Energy and Industry and the Permanent Secretary attended the Paris Air Show 97; in addition 22 DTI Officials also attended at an approximate total cost of £12,000. My Department has been unable to identify a record of any DTI Ministers or Officials attending any of the other listed events.

Massachusetts (Burma Law)

Mr. Corbyn: To ask the Secretary of State for Trade and Industry what is Her Majesty's Government's policy towards the EU pursuing a complaint at the World Trade Organisation against the US Government over the State of Massachusetts' Burma Law. [53664]

Mr. Wilson *[holding answer 31 July 1998]:* The UK and EU consider that the Massachusetts Burma Selective Purchase Law breaks the United States' obligations under the World Trade Organisation's Government Procurement Agreement. On 8 September, after lengthy efforts to resolve the problem informally, the EU (and Japan) requested a formal WTO Panel. This request was agreed at the meeting of the Dispute Settlement Body on 21 October.

Millennium Experience

Mr. Mitchell: To ask the Secretary of State for Trade and Industry if he will list the sponsors who are committed by written agreements to supporting the Millennium Experience, indicating in each case *(a)* the zones or activities concerned, *(b)* the amount of sponsorship and *(c)* the penalty laid down for non-performance of the agreement. [55678]

Mr. Hawkins: To ask the Secretary of State for Trade and Industry if he will list the total sponsorship guaranteed unconditionally to each zone of the Millennium Experience under written agreement, indicating the companies or organisations concerned, the zone they have agreed to sponsor and the value of the sponsorship. [56681]

Mr. Mandelson: The New Millennium Experience Company (NMEC) has announced that the following companies have committed sponsorship to zones of the Dome and national programme strands at Board level:

Zone	*National programme*	*Sponsor*
Learn	Tesco Schoolnet 2000	Tesco
Work	UK Skills 2000	Manpower
Communicate	FutureTalk	BT
National Identity (part sponsor)	Children's Promise/ Voices of Promise	Marks & Spencer

Additionally BSkyB are sponsoring Babydome and both they and the sponsors listed above are Official Sponsors giving a sponsorship value of £12m each to the Millennium Experience project. Other sponsors announced and committed at Board level are: the Corporation of London; BA; BAA; GEC; BAe; Camelot; and Thames Water. The total commitment across the Official and other sponsors, already announced, is just over £100m. A further £60m of sponsorship is the subject of detailed negotiation. In addition, discussions between the NMEC and many other companies about further sponsorship opportunities are underway.

The normal process of full and final negotiations between the NMEC and the committed sponsors is progressing. The scope and nature of each contract will differ according to a number of factors—including the zone, the associated national programme, and the value and type of sponsorship. To reveal details of individual aspects of the contracts under discussion with the individual sponsors would run contrary to the strict confidentiality the sponsors have sought and would harm the NMEC's negotiating position on sponsorship generally.

Mr. Mitchell: To ask the Secretary of State for Trade and Industry how many meetings he has attended in the course of his official duties at which there has been discussion of sponsorship of the Millennium Experience; how many of these meetings included lobbying organisations; and what contribution he made to these discussions. [55688]

Mr. Mandelson: I have not attended any meetings in the course of my official duties as Secretary of State for Trade and Industry at which sponsorship of the Millennium Experience was discussed. The New Millennium Experience Company are responsible for procuring sponsorship for the new project and they keep me regularly informed of progress.

Mr. Mitchell: To ask the Secretary of State for Trade and Industry what performance targets regarding *(a)* time and *(b)* budget have been set for the delivery of the Millennium Experience; and what penalties will be incurred by directors, executives, and employees of the New Millennium Experience Company in the event of failure to meet those targets. [55687]

Mr. Mandelson: The two overriding time and budget targets are: that the Millennium Dome is completely ready for opening by 31 December 1999; and that the entire project (including the Dome and the national programme of events and activities) is delivered within the £758 million budget. More detailed targets across the different programmes of the project are agreed between the New Millennium Experience Company and the Millennium Commission as part of the planning process. The Company published their Corporate Plan for 1997–98 to 2000–01 in early August, copies of which were placed in the Libraries of the House. The consequences for individuals of failure to meet targets is a matter for the NMEC and its Board.

Mr. Mitchell: To ask the Secretary of State for Trade and Industry if he will make a statement on the sponsorship of the Spirit Zone of the Millennium Experience. [55679]

Mr. Mandelson: The Millennium Experience project overall is progressing well, and that includes the Spirit Zone. The development of the zone design and storyline is on track and being taken forward in full consultation with the Lambeth Group. Positive discussions with a number of potential sponsors are also underway.

Millennium Compliance

Mr. Cotter: To ask the Secretary of State for Trade and Industry what steps the Government have taken to ensure that the electricity supply will not be disrupted by the millennium bug. [55793]

Mr. Battle: The electricity industry has made extensive preparations over several years to ensure that the millennium bug does not disrupt normal service. This work is continuing. My Department, the Director General of Electricity Supply and Action 2000 are monitoring these preparations and are discussing with the industry what more needs to be done to provide an independent assessment of progress, of what has been completed and of what more needs to be done. The Department and the Director General are also discussing with the industry the timing and nature of statements needed to reassure consumers that any potential problems are being tackled effectively.

Euro Fact Sheets

Mr. Cotter: To ask the Secretary of State for Trade and Industry how many information packs inviting businesses to order fact sheets on preparation for the launch of the euro have been sent out; and how many businesses have requested those fact sheets. [55795]

Mr. Mandelson: In September, my noble Friend Lord Simon sent letters to 1.6 million small and medium sized businesses inviting them to find out what the introduction of the euro on 1 January next year would mean for them. The letter invited firms to send for a set of the "business preparations for the euro" fact sheets prepared by the Treasury's Euro Preparations Unit (EPU). In addition to this, the DTI has sent to exporters and business organisations more than 140,000 leaflets on the euro which direct businesses to the fact sheets for further information. To date, more than 220,000 fact sheet packs have been asked for by UK businesses and intermediaries.

British Petroleum

Dr. Tonge: To ask the Secretary of State for Trade and Industry what representations he has made to British Petroleum concerning the Company's internal investigation into arms sales and military activity in Colombia. [56258]

Mrs. Roche: No representation has been made to British Petroleum concerning the Company's internal investigation into arms sales and military activity in Colombia. The British Government believe that this matter is best dealt with by BP and the Colombian Government.

Multilateral Agreement on Investment

Mr. Swayne: To ask the Secretary of State for Trade and Industry if he will make a statement about progress in negotiating the Multilateral Agreement on Investment. [56321]

Mr. Streeter: To ask the Secretary of State for Trade and Industry if he will make a statement on the Government's present policy towards the Multilateral Agreement on Investment. [56539]

Mr. Wilson: The French Government announced, on 14 October, their decision to withdraw from the MAI negotiations. Together with our partners in the OECD, we are considering the full implications for the Agreement. The intention of MAI negotiators had been to present an Agreement to Ministers for signature in May 1999, but this now seems most unlikely. The Government—together with our EU partners—remain committed in the longer term to promoting negotiations on investment through the WTO and to the development of a liberal, rules-based framework for international investment that takes full account of social, environmental and development issues.

Mr. Dafis: To ask the Secretary of State for Trade and Industry what representations he has received from regional development agencies concerning the implications for their activities of the proposed Multilateral Agreement on Investment. [56152]

Mr. Wilson: None.

Mr. Dafis: To ask the Secretary of State for Trade and Industry if he will list forthcoming intergovernmental meetings at which his Department will be represented to discuss the Multilateral Agreement on Investment. [56155]

Mr. Wilson: No dates have been set for any further meetings of the MAI Negotiating Group. I understand that the OECD Secretariat plan to organise a meeting in December for consultations between MAI negotiating parties. I also understand that the Austrian Presidency may call a meeting at EU level in November.

Mr. Dafis: To ask the Secretary of State for Trade and Industry by what means he consults the Governments of developing countries in respect of the Multilateral Agreement on Investment. [56154]

Mr. Wilson: The OECD Secretariat have organised a number of "outreach" sessions to developing countries during the course of the MAI negotiations. UK government officials have participated actively in a number of these sessions. In addition, the Department for

International Development has ongoing bilateral discussions with a number of developing countries on investment-related issues.

Regional Selective Assistance

Mr. Redwood: To ask the Secretary of State for Trade and Industry when he plans to announce the new map for RSA. [55960]

Mr. Mandelson *[holding answer 22 October 1998]:* Regional Selective Assistance is available in the assisted areas. Following the introduction of new European Commission guidelines on national regional aid, the Government is required to submit to the European Commission by 31 March 1999 proposals for designating new assisted areas. Once the proposals are agreed, the Government will announce the new map.

Working Time Regulations

Mr. Redwood: To ask the Secretary of State for Trade and Industry what representations he has received from agencies and others involved in temporary placements concerning the working time regulations. [55957]

Mr. Mandelson *[holding answer 22 October 1998]:* The Department has received many representations from agencies, both in the form of responses to the consultation on the draft Working Time Regulations, other correspondence and meetings with officials. These responses were taken into account in drafting the final Regulations.

Mr. Redwood: To ask the Secretary of State for Trade and Industry what assessment he has made of the effect on the average cost of employing temporary employees of the working time regulations. [55956]

Mr. Mandelson *[holding answer 22 October 1998]:* There was no specific assessment of the cost of employing temporary workers. An assessment for the whole of British industry was made, a copy of which is held in the Library of the House.

Inward Investment

Mr. Redwood: To ask the Secretary of State for Trade and Industry who has responsibility for setting the level of grant offered to inward investors in *(a)* England, *(b)* Scotland, *(c)* Wales and *(d)* Northern Ireland; and what arrangements ensure that they are not competing for the same business. [55963]

Mr. Mandelson *[holding answer 22 October 1998]:* Decisions on the level of Regional Selective Assistance (RSA) grant to be offered to a potential inward investor are taken once a single site in the UK has been chosen. Responsibility for final decisions rests with me, as the Secretary of State for Trade and Industry, if the site is in England, with the Secretary of State for Scotland if the site is in Scotland, and with the Secretary of State for Wales if the site is in Wales. The Secretary of State for Northern Ireland is responsible for the final decision on the level of Selective Financial Assistance to be offered to a potential inward investor if the site is in Northern Ireland.

The Invest in Britain Bureau chairs the Committee on Overseas Promotion, part of whose role is to monitor rules agreed by Departments to avoid wasteful competition between the inward investment agencies of Scotland, Wales, Northern Ireland, and the English regions.

Assisted Areas

Mr. Redwood: To ask the Secretary of State for Trade and Industry what plans he has for the extent of the coverage of the assisted areas map. [55959]

Mr. Mandelson *[holding answer 22 October 1998]:* Under new European Guidelines on regional aid published in March, the proportion of Great Britain's working population covered by the assisted areas (currently some 34%) must be reduced; the maximum reduction is 25%. The actual figure will depend on statistics to be produced by Eurostat and the Commission will inform us of the outcome by the end of the year.

Regional Aid

Mr. Redwood: To ask the Secretary of State for Trade and Industry what consultations he plans to undertake with those regions from which he proposes to withdraw regional aid. [55958]

Mr. Mandelson *[holding answer 22 October 1998]:* The Government published a consultation document seeking views on the basis for the new map in July. A copy was sent to the right hon. Gentlemen.

Lord Sainsbury of Turville

Mr. Forth: To ask the Secretary of State for Trade and Industry, pursuant to his answer of 19 October 1998, *Official Report*, column *1050*, and the recommendations in the Fifth report of the Committee on Standards in Public Life concerning blind trusts, if an alternative arrangement to the blind trust for Lord Sainsbury's shareholdings will be made. [56377]

Mr. Mandelson: No. The blind trust for Lord Sainsbury's shareholdings was set up in accordance with the guidance in the Ministerial Code as one of the means of avoiding actual or potential conflicts of interest between a Minister's public responsibilities and private interests. The recommendations in the Fifth Report of the Committee on Standards in Public Life do not require any changes in blind trusts of this type.

BSkyB and Manchester United

Mr. Chope: To ask the Secretary of State for Trade and Industry, pursuant to his answer of 19 October 1998, *Official Report*, column *1037*, if he will stand aside in his regulatory role in respect of the takeover by BSkyB of Manchester United; and if he will make a statement. [56006]

Mr. Mandelson *[holding answer 22 October 1998]:* As in all cases I have carefully considered whether there is any reason why I should stand aside from a decision on whether the proposed acquisition by BSkyB of Manchester United should be referred to the Monopolies and Mergers Commission, and have discussed it with officials. I have decided that there is no reason for me to stand aside.

Dounreay

Mr. Boswell: To ask the Secretary of State for Trade and Industry when he plans to publish the UKAEA initial response to the Dounreay Safety Audit. [55851]

Mr. Mandelson *[holding answer 22 October 1998]:* UKAEA plan to publish their response and action plan on 30 November 1998, the date for submitting it to the regulators for discussion. HSE/SEPA acknowledge in their report that it will take some time to deal with the recommendations. HSE/SEPA intends to keep the public informed of progress against the action plan by publishing reports from time to time and also through the normal quarterly reports to the Dounreay Local Liaison Committee.

Motor Car and Telecommunications Industries

Mr. Ian Taylor: To ask the Secretary of State for Trade and Industry how many people are employed in the UK in *(a)* the motor car industry, and *(b)* the telecommunications industry, broadly defined. [56510]

Mr. Battle: The information available is as follows. Unless otherwise stated, figures relate to Great Britain.

Thousand

Standard Industrial Classification (1992)	*Description*	*September 1996*	*June 1998*
	Motor car industry (including major component industries)		
SIC(92)25.11	Manufacture of rubber tyres and tubes	14.7	n/a
SIC(92)31.61	Manufacture of electrical equipment for engines and vehicles not elsewhere specified	15.1	n/a
SIC(92)34	Manufacture of motor vehicles, trailers and semi-trailers	222.8	[1]222.4
	Telecommunications industry		
SIC(92)32.20/1	Manufacture of telegraph and telephone apparatus and equipment	[2]35.5	n/a
SIC(92)64.2	Telecommunications	182.9	225.1

[1] 226.5 thousand for United Kingdom
[2] Annual Business Inquiry; relates to United Kingdom
Source:
Office for National Statistics. Unless otherwise indicated, data are taken from the Annual Employment Survey 1996 and subsequent Short-term Employer Surveys

Water Charging

Dr. Lynne Jones: To ask the Secretary of State for Trade and Industry, pursuant to his answer of 19 October 1998, *Official Report*, column *907*, what response the Director General of Electricity Supply has given to his letter concerning the use of pre-payment meters to recover water debts. [56412]

Mr. Battle: The Director General of Electricity Supply will be writing direct to my hon. Friend, with a copy to me, shortly.

Aerospace Industry

Mr. Collins: To ask the Secretary of State for Trade and Industry what sums are expected to be paid to the Government in sales levies to recoup launch investment by *(a)* British Aerospace, *(b)* Rolls-Royce and *(c)* other UK aerospace companies in each of the next 10 years; and if he will make a statement. [56479]

Mr. Battle *[holding answer 26 October 1998]:* Launch investment returns depend on the level of sales of the various aerospace products in which the Government have previously invested. We are expecting to receive, in total, over £100m in levies in each of the next ten years from a number of aerospace companies. Information about possible levies from individual companies is commercially confidential.

Science Budget

Mr. Pollard: To ask the Secretary of State for Trade and Industry if he will announce the allocation of the Science Budget; and if he will make a statement. [56842]

Mr. Mandelson: As a result of the Comprehensive Spending Review, the Science Budget was increased by £700 million over the next three years. This is solid evidence that science is a major priority for the Government. Of these additional funds, £300 million is the Science Budget contribution to a ground breaking £600 million partnership with the Wellcome Trust to upgrade university research laboratories and equipment. I am most grateful to the Trustees of the Trust for their contribution, and also their further contribution of £110 million towards the cost of a new high intensity X-ray source. Over the period of these allocations, £35 million of the Science Budget has been reserved for this DIAMOND project. A further £20 million of the additional money for the Science Budget is earmarked for the Science Budget's contribution to "University Challenge", a joint project to provide seed corn funding to enable universities to exploit ideas emerging from their research.

After receiving advice from action from the Director General of Research Councils, I have decided that the Science Budget should be allocated as follows:

£ million

	1998–99	*1999–2000*	*2000–01*	*2001–02*
BBSRC	185.739	198.299	202.994	208.189
ESRC	65.990	69.754	71.174	72.901
EPSRC	382.982	397.584	410.850	427.179
MRC	290.208	304.538	319.173	334.068
NERC[1]	168.819	178.530	181.757	187.457

£ million

	1998–99	1999–2000	2000–01	2001–02
PPARC[1]	194.220	196.306	200.687	204.228
International/Contingency	3.028	(9.185)	15.000	15.000
CCLRC	1.462	2.000	2.000	2.000
Royal Society	22.621	23.850	24.622	25.745
Royal Academy of Engineering	3.436	3.706	4.025	4.270
OST Initiatives	2.376	2.750	2.800	2.850
Superannuation Supplement	12.298	11.991	14.368	14.750
Foresight LINK Awards	1.000	1.000	3.000	4.000
University Challenge	—	10.000	10.000	—
DIAMOND	—	—	15.000	20.000
Joint Research Equipment Initiative	4.147	7.000	10.000	10.000
Joint Infrastructure Fund	—	75.000	100.000	125.000
Total	1,338.326	1,473.123	1,587.450	1,657.637

[1] NERC and PPARC figures for 1998–99 have been adjusted for cash flow changes to show the underlying baseline
Further details are available in a booklet on the allocations, which I have placed in the Library of both Houses

Supermarket Monopolies

Mr. Baker: To ask the Secretary of State for Trade and Industry what recent discussions he has had with the Director General of Fair Trading relating to potential monopolistic behaviour amongst the four leading supermarkets. [56356]

Dr. Howells *[holding answer 26 October 1998]:* Since taking up current Ministerial posts, my right hon. Friend the Secretary of State has not met the Director General of Fair Trading, whilst I have met him twice. My right hon. Friend and I are aware of the Office of Fair Trading investigation into the profitability of the major supermarkets in the grocery sector. The Director General exercises his powers independently of Ministers. I have not raised the matter of potential monopolistic behaviour amongst the four leading supermarkets with him.

Fuel Cell Technology

Mr. Blizzard: To ask the Secretary of State for Trade and Industry what assistance he is giving to the development of fuel cell technology as a means of powering vehicles. [56729]

Mr. Battle: Fuel cells and reformers are supported by the Department's Advanced Fuel Cells Programme covering both transport and stationary applications. Since 1992, the programme has supported over 92 projects with a total value of about £34m, including industry contributions. Current work in the transport area includes a bus design studies project to evaluate fuel processing and fuel options for urban bus applications, and the programme is in negotiation with a leading UK bus manufacturer to develop and test the first UK fuel cell powered urban bus. Future support for fuel cells is being considered as part of the Government's review of policy for new and renewable energy.

In addition, the Foresight Vehicle acts to co-ordinate publicly funded automotive R&D in the UK. Under the Department's supporting Foresight Vehicle LINK Programme up to £11.5 million is being made available, to be matched by industry, for research into system technologies for future vehicles. Proposals are currently being sought in the area of hybrid, electric and alternatively fuelled vehicles which includes technologies for onboard storage of gas and development of fuel cell electric vehicle powertrain systems.

The DTI's LINK Applied Catalysis and Catalytic Processes programme is providing a grant of £227k over two years to a consortium developing a low cost hydrogen generator for cars to support fuel cell deployment.

In addition, the EPSRC has been supporting basic and applied research in its "directed" fuel cells programme for the past 4 years. It has funded 26 projects totalling £3.7m. Fuel Cells are expected to form part of its £3.5m p.a. Renewable and New Energy Technologies Programme which is due to be launched next year.

South Africa

Mr. Shaw: To ask the Secretary of State for Trade and Industry what action his Department is taking to encourage bilateral trade with South Africa. [54308]

Mr. Wilson: A three year trade and investment promotion campaign was launched in May this year promoting partnerships between business and government in the two markets. At the launch, an Investment Promotion and Protection Agreement (IPPA) was ratified and the Export Credits Guarantee Department (ECGD) announced its intention to enter into a co-operation agreement with counterparts in South Africa to establish co-financing mechanisms to support joint UK/South Africa projects in other parts of Southern Africa. The agreement was subsequently signed in September. An Internet based Gateway search engine was launched to assist smaller enterprises to research the South African market and a pilot study was launched to look at the scope for promoting partnerships between smaller enterprises, including South African enterprises operated by previously disadvantaged groups. Visits by ministers included an outward investment mission to Johannesburg and Durban led by the Minister for Small Firms, Trade and Industry in July, followed by the Secretary of State for Trade and Industry's visit to Johannesburg in September to co-host the first Partnership Week under the campaign with the South African Minister for Trade and Industry. Workshops on privatisation, design and tourism were extremely well attended by South African business and government officials alike. Ministers have also hosted several visits by South African central and provincial government ministers and VIPs. Underpinning these visits are eight trade missions to both markets, and six sector based initiatives involving workshops and follow-up missions planned for the year ending March 1999. The British and South African Departments of Trade and

Industry are working together on trade and investment promotion, including hosting inward missions from South Africa to train new entrants on trade promotion, human resource and policy issues.

Electricity Imports

Mr. Boswell: To ask the Secretary of State for Trade and Industry what recent discussions he has had with large energy users about the implications of current reductions in supply availability arising in part from French nuclear outages for future energy costs. [56773]

Mr. Battle: The impact on electricity prices of possible reductions in imports of electricity from France over the coming winter has been raised with my officials. It is not yet clear whether the current reductions in imports will persist and what the impact on pool prices will be if they do.

Ariane 5

Mr. McWalter: To ask the Secretary of State for Trade and Industry what assessment he has made of the potential benefits to those British industries which work in the fields of structures, propulsion and avionics, of participation in the Ariane 5 Evolution Programme. [55383]

Mr. Battle: The British National Space Centre has considered the views of the United Kingdom space industry on the likely benefits to the United Kingdom of participation in Ariane 5 Programmes. There are no current plans to join the Ariane 5 Evolution Programme.

PRIME MINISTER

Cabinet Committees

Mr. Eric Clarke: To ask the Prime Minister if he will publish an updated list of Ministerial Committees of the Cabinet. [55929]

The Prime Minister *[pursuant to his reply, 21 October 1998, c. 1123–35]:* The Minister of Transport was inadvertently omitted from the composition of the Ministerial Committee on Economic Affairs. The correct composition for this committee is as follows:

Ministerial Committee on Economic Affairs (EA)

Composition

Chancellor of the Exchequer (Chair)

Deputy Prime Minister and Secretary of State for the Environment, Transport and the Regions

Secretary of State for the Home Department

Secretary of State for Education and Employment

President of the Council and Leader of the House of Commons

Minister for the Cabinet Office

Secretary of State for Scotland

Secretary of State for Health

Parliamentary Secretary, Treasury and Chief Whip

Secretary of State for Culture, Media and Sport

Secretary of State for Northern Ireland

Secretary of State for Wales

Secretary of State for Social Security

Minister of Agriculture, Fisheries and Food

Secretary of State for Trade and Industry

Chief Secretary, Treasury

Minister of Transport

Minister of State, Cabinet Office

Other Ministers are invited to attend for items in which they have a departmental interest. The Chief Scientific Adviser attends for issues relating to science and technology.

Terms of Reference

"To consider issues relating to the Government's economic policies".

Mr. Cash: To ask the Prime Minister if he will make a statement on the allocation of European matters to Cabinet committees and Ministerial sub-committees in the period since 1992, listing changes in that allocation and the reasons for them. [57020]

The Prime Minister: The composition and terms of reference of Cabinet Committees and their Ministerial Sub-Committees were first published by the previous Government on 19 May 1992, *Official Report*, columns *110–18*. Since then updated details of these Committees have been published periodically, most recently on 21 October 1998, *Official Report*, columns *1123–35*, when I announced the details of the Ministerial Committees which I have established to date. European Union matters will be considered by these committees from time to time. The principal Committee for considering questions relating to the United Kingdom's membership of the European Union is the Ministerial Sub-Committee on European Issues which is chaired by the Foreign Secretary and which reports to the Ministerial Committee on Defence and Overseas Policy.

China

Mr. Collins: To ask the Prime Minister what were his priorities for his recent visit to China; and which Chinese Ministers he met. [56428]

The Prime Minister *[holding answer 26 October 1998]:* My visit was intended to mark a new chapter in the United Kingdom's relations with China following the successful handover of Hong Kong. As set out in our joint statement, we agreed to enhance co-operation in areas of bilateral, regional and global interest including financial issues, trade and investment and environmental protection, and encourage closer cultural and educational contacts. At the same time, we shall continue to pursue our bilateral dialogue on human rights. In addition to my meetings with the Chinese President and Premier, I met the Vice Premier (Mr. Li Lanqing), the Vice Foreign Minister (Mr. Wangfan), the Minister of Foreign Trade (Mr. Shi Guangsheng), the Minister of Civil Aviation (Mr. Liu Jianseng) and the Vice Minister of Justice (Miss Liu Yang).

Sudan

Mr. Dalyell: To ask the Prime Minister, pursuant to his answer of 19 October 1998, *Official Report*, column *915*, on the US air raid on Sudan, what was the volume of the soil sample acquired clandestinely at the Al Shifa plant; and what steps were taken to establish that *(a)* it came from the Al Shifa plant and *(b)* it was untampered with before laboratory tests by American staff. [56774]

The Prime Minister: It is established practice under Section 1(c) of the Code of Practice on Access to Government Information not to disclose or discuss information received in confidence from foreign Governments.

Minister of State, Cabinet Office

Mr. Ruffley: To ask the Prime Minister, to which Cabinet committees the Minister of State at the Cabinet Office has been appointed; and if he will make a statement. [56696]

The Prime Minister: I refer the hon. Member to the answer I gave to my hon. Friend the Member for Midlothian (Mr. Clarke) on 21 October 1998, *Official Report*, columns *1123–35*.

FOREIGN AND COMMONWEALTH AFFAIRS

Middle East

18. **Mrs. McKenna:** To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the future role of the European Union in the middle east peace process. [54302]

22. **Ms Perham:** To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the future role of Her Majesty's Government in the middle east peace process. [54306]

28. **Dr. Vis:** To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the future role of Her Majesty's Government in the middle east peace process. [54315]

36. **Mr. Clappison:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the middle east peace process. [54323]

Mr. Fatchett: I welcome the Wye River memorandum signed in Washington last week. I pay particular tribute to President Clinton whose personal engagement was crucial to success of these talks. We now need to see swift implementation of the agreement, accompanied by progress on the outstanding issues and a successful start to the final status negotiations, to maintain forward movement in the peace process. The EU is ready to sustain the momentum generated at Wye by helping with implementation, and will be discussing with the US how best to integrate its contribution into the next stages.

23. **Mr. Luff:** To ask the Secretary of State for Foreign and Commonwealth Affairs when he next plans to meet the Israeli Prime Minister to discuss the middle east peace process; and if he will make a statement. [54309]

Mr. Fatchett: My right hon. Friend has no current plans to meet Prime Minister Netanyahu. I refer the hon. Member to the answer I gave today to my hon. Friend the Member for Cumbernauld and Kilsyth (Mrs. McKenna).

European Union

19. **Mr. Ruffley:** To ask the Secretary of State for Foreign and Commonwealth Affairs what progress is being made towards European Union enlargement; and if he will make a statement. [54303]

Mr. Robin Cook: Britain negotiated the launch of the enlargement process during our Presidency and progress in the accession talks has been good. We expect that next month we can move from the screening process to substantive negotiations with six of the candidate countries.

Last week I visited two other candidate countries—Bulgaria and Romania—whose governments both expressed their warm appreciation of Britain's support for the enlargement of the European Union.

Gibraltar

21. **Mr. Hoyle:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the progress of talks between Spain and the United Kingdom about Gibraltar. [54305]

Ms Quin: We continue to discuss Gibraltar with Spain as agreed in the Brussels Communique of 27 November 1984. We expect to hold a further meeting early next year.

Institute of Export

24. **Mr. Chope:** To ask the Secretary of State for Foreign and Commonwealth Affairs when he next plans to meet the Institute of Export to discuss the trade promotion role of his Department. [54310]

Mr. Fatchett: My right hon. Friend the Foreign Secretary at present has no plans to do so. In my role as FCO Minister responsible for trade promotion, I met the Institute's Director General (Ian Campbell) in June at the "Open for Business" presentation which I hosted for MPs and business representatives.

Lockerbie

25. **Sir Teddy Taylor:** To ask the Secretary of State for Foreign and Commonwealth Affairs what progress has been made in seeking to resolve the issue of a trial of alleged perpetrators of the Lockerbie bombing. [54311]

Mr. Robin Cook: I refer the hon. Member to the oral answer given to the hon. Member for Linlithgow (Mr. Dalyell), 27 October 1998, *Official Report*, column 152.

Entry Visas

26. **Mr. Bill Michie:** To ask the Secretary of State for Foreign and Commonwealth Affairs what recent representations he has received regarding entry visas to the United Kingdom. [54313]

Mr. Fatchett: Since 1 January 1998 we have received 7,756 letters from Members about entry clearance matters.

Iran (Ballistic Missiles)

27. **Mr. Dismore:** To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the impact of the proliferation of ballistic missiles in Iran on the balance of power in the middle east. [54314]

Mrs. Dunwoody: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the impact of the proliferation of ballistic missiles in Iran on the balance of power in the Middle East. [54307]

Mr. Fatchett: We were extremely concerned by Iran's flight test of its Shahab 3 ballistic missile in July. The acquisition of this system, with an approximate range of 1300 km, threatens the stability of the whole of the Middle East. We assess that the Shahab 3 is still in its development phase and, consequently, Iran will not be able to deploy the system in the immediate future. Whilst we understand Iran's legitimate security concerns, we have repeatedly urged the Iranian authorities to refrain from developing ballistic missiles. It is in nobody's interest for an arms race to develop in this already volatile region.

The UK, as a founder member of the Missile Technology Control Regime (MTCR), works with its partners to halt the proliferation of ballistic missiles programmes of concern. The MTCR has done much to deny, amongst others, the Iranian ballistic missile programme, key technologies and equipment.

United States

29. **Mr. Amess:** To ask the Secretary of State for Foreign and Commonwealth Affairs what recent representations he has received on the United Kingdom's relations with the USA. [54316]

Mr. Tony Lloyd: We receive numerous representations about individual aspects of our relations with the United States; but we have received none recently about the overall state of our relations in general.

St. Helena

30. **Mr. Bob Russell:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the status of residents of the island of St. Helena. [54317]

Mr. Tony Lloyd: Most residents of St. Helena are British Dependent Territories Citizens. The issue of British citizenship for residents of all UK Overseas Territories who do not already have it is a complex one. It is being considered sympathetically in the current Review of UK Overseas Territories and the result will be published in the White Paper.

Caribbean

31. **Mr. McAllion:** To ask the Secretary of State for Foreign and Commonwealth Affairs what recent discussions he has held with his counterparts in the European Union relating to policy in the Caribbean. [54318]

Mr. Tony Lloyd: My right hon. Friend the Foreign Secretary has regular meetings with his EU counterparts, including on Caribbean issues. In June these included an EU mandate for the re-negotiation of the Lomé Convention. In February, he and Ministerial colleagues held discussions at the UK/Caribbean Forum in Nassau.

European Commission

32. **Mr. Rammell:** To ask the Secretary of State for Foreign and Commonwealth Affairs when he expects the European Union to reform the European Commission in respect of the number of members represented on it. [54319]

Ms Quin: The Protocol on the Institutions with the Prospect of Enlargement of the European Union, attached to the Amsterdam Treaty, sets out a framework for tackling institutional issues not resolved at Amsterdam. It foresees agreement on the number of Commissioners before the first enlargement of the Union.

At the Cardiff European Council, Heads of State and Government agreed that, once the Amsterdam Treaty had entered into force, an early decision would be required on how and when to tackle these issues.

Colombia

33. **Mrs. Mahon:** To ask the Secretary of State for Foreign and Commonwealth Affairs what plans he has to meet the new Government of Colombia to discuss United Kingdom relations with that country. [54320]

Mr. Tony Lloyd: I have just returned from a visit to Colombia where I met several members of the new government including President Pastrana and the Foreign Minister, with whom I discussed a wide range of subjects of bilateral interest.

Agenda 2000

34. **Miss McIntosh:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the timetable for adopting Agenda 2000 with regard to enlargement. [54321]

Ms Quin: The Cardiff European Council agreed to adopt the Agenda 2000 proposals by June 1999. The reform of key policies is essential if enlargement is to be successful. The accession process is making good progress. The date of the first accessions will depend on the speed and success of the applicants' continuing preparations.

Indonesia

35. **Jane Griffiths:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on his Department's role in promoting political reform in Indonesia. [54322]

Mr. Fatchett: We have welcomed the reforms announced in Indonesia since President Habibie came to power, particularly the announcement of elections next year. To show our commitment to the process of political reform, I visited Jakarta on 8 October and met President Habibie, members of his Cabinet and leading Opposition figures. I announced that Britain was ready to give practical assistance to help Indonesia hold free and fair elections.

Kosovo

37. **Mr. Wilkinson:** To ask the Secretary of State for Foreign and Commonwealth Affairs what initiatives he has taken to end political violence in Kosovo. [54324]

Mr. Tony Lloyd: I refer the hon. Member to the answer my right hon. Friend the Foreign Secretary gave in an oral answer today to the hon. Member for Taunton (Jackie Ballard), 27 October 1998, *Official Report*, column 139.

Drugs

Mr. Paul Marsden: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on progress made by his Department's special representative on international drugs issues in reducing the supply of drugs to Britain. [54289]

Mr. Tony Lloyd: The Special Representative identified the source and transit countries which pose the greatest threat to this country and has focused our international anti-drugs effort where it has the greatest impact on supply to the UK. A recent example of such targeted spending was announced by my right hon. Friend the Foreign Secretary in Bulgaria on 20 October: we are providing a package of training worth £37,500 to help the Bulgarian law enforcement agencies to develop their anti-narcotics capabilities. In the financial year 1998–99 we expect to spend about £6 million on anti-drugs projects.

Sierra Leone

Ms Corston: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement about the Sierra Leone donors conference. [54294]

Mr. Tony Lloyd: I attended the United Nations Special Conference on Sierra Leone in New York on 30 July. It focused on the need for reconciliation and the restoration of democracy following the brutal rule of the military junta. Britain is leading the way in this. At the Conference, I announced a Department for International Development pledge of £6.5 million over two years to support the Government of Sierra Leone's Disarmament, Demobilisation and Reintegration plan. In total, Britain has committed over £20 million for the rehabilitation and reconstruction of Sierra Leone since March 1998.

Camilla Carr and Jon James

Mrs. Virginia Bottomley: To ask the Secretary of State for Foreign and Commonwealth Affairs what information he has about the welfare of Camilla Carr and Jon James. [54304]

Mr. Tony Lloyd: Camilla Carr and Jon James are in remarkably good health after their long and traumatic ordeal. They have displayed admirable resilience and strength of character. They have now returned home, where they are continuing their recovery with the support of family and friends. The Foreign Office remains in regular contact.

Overseas Visits (Advisers)

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the overseas visits between 1 July and 19 October on which Ministers have been accompanied by special advisers and, for each trip, *(a)* the name of the adviser, *(b)* the class and cost of travel booked for the adviser, *(c)* the class of travel actually used by the adviser and *(d)* the accommodation and ancillary costs for the adviser. [55998]

Mr. Robin Cook *[holding answer 22 October 1998]:* I was accompanied by my Special Adviser, Mr. David Clark, when he travelled to Brussels for meetings, including calls on the NATO Secretary General Sonana and SACEUR General Wesley Clark to discuss Kosovo. My party travelled on an RAF 125 official aircraft. The cost to the FCO budget for Mr. Clark was £229.

Since the visit was completed in a day, no accommodation costs were incurred.

Argentina

Mr. McWalter: To ask the Secretary of State for Foreign and Commonwealth Affairs if there have been any new exceptions to the arms embargo on Argentina. [57153]

Mr. Tony Lloyd: We have recently granted two exceptions to the embargo. The first was in respect of the sale of a further 24 nuclear, biological and chemical (NBC) protections suits and 8 pairs of boots for use by the Argentine contingent of the UN task force in Kuwait. The second exception was in respect of the export of 745 shotgun cartridges to an Argentine sporting goods retailer for sport and hunting use. These decisions represent exceptions but not changes to the embargo.

General Pinochet

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs if his Department informed the Spanish authorities that General Pinochet was visiting the United Kingdom in October 1997. [57011]

Mr. Tony Lloyd: No.

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs what information his Department provided to the Spanish authorities about General Pinochet's intention to leave the United Kingdom on 20 October; when this information was provided; and by whom. [57010]

Mr. Tony Lloyd: We provided no information to the Spanish authorities of any plan for Senator Pinochet to leave the UK.

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs what information his Department provided to Amnesty International about General Pinochet's travel arrangements prior to 17 October. [57012]

Mr. Tony Lloyd: No information was passed to Amnesty International by the FCO about Senator Pinochet's travel arrangements.

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs when his Department was informed, and by whom, that General Pinochet was leaving the United Kingdom on 20 October. [57016]

Mr. Tony Lloyd: Foreign and Commonwealth Office officials were informed on 15 October by the Chilean Embassy that consideration was being given to Senator Pinochet leaving the UK on 20 October.

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs if his Department *(a)* arranged for and *(b)* paid for the use of a VIP suite at the airport for the visits of General Pinochet to the United Kingdom in (i) October 1997 and (ii) September 1998. [57014]

Mr. Tony Lloyd: The VIP suite in each case was put at the disposal of Senator Pinochet, and paid for by the Foreign and Commonwealth Office as usual.

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs when his Department was informed that General Pinochet was visiting the United Kingdom during October 1997. [57013]

Mr. Tony Lloyd: We were notified on 17 September 1997.

Foreign Visitors

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs what status is afforded by his Department to foreign visitors travelling to the United Kingdom under special resolutions of the Chilean Foreign Affairs Ministry. [57009]

Mr. Tony Lloyd: None. Special arrangements are made according to the status of a visitor, e.g. Heads of State, Royalty, government ministers, heads of armed forces, chief justices, governors of central banks and heads of diplomatic missions and international organisations.

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs what guidelines are set by his Department for the reception of foreign members of parliament visiting the United Kingdom. [57015]

Mr. Tony Lloyd: Members of foreign parliaments visiting the UK are treated like any other visitor on arrival unless they form part of the suite of a visiting VIP guest for whom special arrangements have been made, or are entitled to special facilities as result of past functions.

India

Mr. Hoyle: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on United Kingdom relations with India. [54284]

Mr. Fatchett: We have warm relations with India. My right hon. Friend the Foreign Secretary met the Deputy Chairman of India's National Planning Commission, Jaswant Singh, on 2 October. I expect to visit India again in November.

Immigration and Visa Unit

Mr. Mackinlay: To ask the Secretary of State for Foreign and Commonwealth Affairs what percentage of hon. Members' correspondence received by the Immigration and Visa Unit was replied to within 15 working days, for the last month for which figures are available; and what were the corresponding figures for each of the preceding 12 months. [56226]

Mr. Fatchett: Statistics for the period October 1997 to September 1998 are given in the table.

Letters from Members of Parliament

		Replies sent within:						
		15 days		*20 days*		*25 days*		
	MPs' letters received	*Number*	*Per cent.*	*Number*	*Per cent.*	*Number*	*Per cent.*	*Work outstanding over 25 days*
October 1997	1,055	399	33	n/a		n/a		n/a
November 1997	1,318	261	27	n/a		n/a		n/a
December 1997	507	207	31	n/a		n/a		n/a
January 1998	943	202	31	269	41	350	54	n/a
February	664	190	28	246	36	312	46	n/a
March 1998	857	328	30	423	38	534	48	270
April 1998	708	416	45	492	53	603	65	128
May 1998	717	390	54	458	64	538	75	84
June 1998	881	515	57	624	69	725	80	91
July 1998	867	410	45	601	66	701	77	125
August 1998	936	382	42	522	58	622	69	142
September 1998	698	437	48	564	62	641	70	112

Cyprus

Mr. Bob Russell: To ask the Secretary of State for Foreign and Commonwealth Affairs what action is being taken by the UK to press the Turkish authorities to implement the UN and Security Council resolutions relating to Cyprus and the restoration of human rights. [56777]

Ms Quin: We are committed to using the UK's unique position—as a Guarantor Power, a Permanent Member of the United Nations Security Council and as a member of the European Union—in strong support of the UN Secretary-General's efforts to achieve a comprehensive political settlement in Cyprus in line with UN Security Council resolutions.

We therefore warmly welcome the UN Secretary-General's recent announcement of a UN process of contact between the parties aimed at reducing tensions and promoting progress towards a political settlement. We firmly support this process and urge all parties to co-operate with the UN in a constructive and flexible manner.

We also fully endorse the steps taken through the Good Offices of the UN Secretary-General to address human rights issues in Cyprus and urge all concerned to co-operate in support of these.

Mr. Bob Russell: To ask the Secretary of State for Foreign and Commonwealth Affairs what action is being taken by the UK to press the Turkish authorities to disclose the fate of Greek Cypriots who have been missing since the invasion of 1974. [56776]

Ms Quin: We have the greatest sympathy for all Cypriots who have lost members of their family over the past 30 years or more. We fully support the steps taken through the Good Offices of the UN Secretary-General to

address human rights issues in Cyprus. We strongly endorse the efforts of the UN Committee on Missing Persons set up in 1981 to establish the fate of Greek Cypriots and Turkish Cypriots listed as missing from 1963 to 1975, and continue to urge all concerned to co-operate fully with it. We welcome the exchange carried out in January and April 1998 through the UN by the two communities of information on the fate of the missing and encourage the parties to make further progress on this important issue.

Mr. Bob Russell: To ask the Secretary of State for Foreign and Commonwealth Affairs what action is being taken by the UK to seek the withdrawal of Turkish troops from the occupied areas of Cyprus. [56775]

Ms Quin: We believe that the key to assuring the lasting security of all Cypriots is through a comprehensive political settlement. We fully support the UN Secretary-General's efforts to this end and urge all parties to co-operate in a constructive and flexible manner. We recognise eventual demilitarisation as an important objective in this context and encourage the Secretary-General to continue to promote efforts in this direction. UN Security Council Resolution 1178 of 29 June 1998 called upon all concerned to commit themselves to a reduction in defence spending and a reduction in the number of foreign troops in the Republic of Cyprus.

CABINET OFFICE

Service Standards

Mr. McNulty: To ask the Chancellor of the Duchy of Lancaster if he will make a statement on the performance of the main departments and agencies against the six service standards for central Government. [55135]

Dr. Jack Cunningham *[pursuant to his reply, 31 July 1998, c. 647–48]:* I regret that a previous reply was misleading in two respects. It showed the percentage of letters from members of the public replied to within the target date by the Ministry of Defence as 96 per cent. when it should have read 86 per cent. The total volume of letters received by the Department for Social Security read 32,618 when it should have read 32,168. The table shows the performance of all Departments and their Agencies with these amendments made.

Department	*Target (working days)*	*Total volume*	*Percentage of responses within target*	*Target 1998–99*	*Agencies included*
Ministry of Agriculture, Fisheries and Food[1]	15	65,410	89	15	yes
Cabinet Office (OPS)	15	6,226	95.6	15	yes
Department for Culture, Media and Sport[2]	18	21,162	68	18	no
Customs and Excise	10	572,430	89	10	n/a
Ministry of Defence[3]	20	5,922	86	20	yes
Department for Education and Employment	15	116,417	88	15	no
Department of the Environment, Transport and the Regions[4]	15	672,980	96	15	yes
Department of Health[5]	20	46,675	66	20	yes
Home Office	20	[6]173,285	81	20	[6]—
Inland Revenue	20	[7]85m	[8]73.7	20	n/a
Lord Chancellor's Department	20	10,200	77	20	no
Northern Ireland Office (including Northern Ireland Departments)	15	198,160	94	15	[9]—
Department of Social Security	20	[10]32,168	77	20	no
Scottish Office	20	200,000	71	20	yes
Department of Trade and Industry	15	133,200	95	15	no
Welsh Office	15	65,087	86	15	yes
Benefits Agency[2]	20	25,816	92	20	n/a
Child Support Agency	10	[11]—	67	10	n/a
Child Support Agency (Northern Ireland)	10	2,981	89	10	n/a
Contributions Agency	20	259,302	92	20	n/a
Court Service	10	[7]4,534,387	99.5	10	n/a
Employment Service	10	[12]—	91	10	n/a
Social Security Agency (Northern Ireland)	15	41,609	96.5	15	n/a

[1] Correspondence received between 1 November 1997 and 31 March 1998

[2] Figures relate to correspondence addressed to Ministers

[3] Correspondence addressed to Ministers, e-mailed to the MOD web site, and mail on defence issues received by other departments between 1 August 1997 and 31 March 1998

[4] As a result of the large increase in correspondence after the General Election it was often impossible for letters to be passed to the answering division within 15 days. Consequently many parts of the Department have interpreted the target as being a response within 15 days of receipt in the responding division, rather than from when the letter was actually received in the Department

[5] The number of letters received by the Central Correspondence Unit from members of the public, and the percentage of letters meeting the target, was taken from a statistically monitored sample

[6] Includes all Home Office agencies except the Prison Service

[7] This is the number of items of post received by the Department's network of offices

[8] Holding replies are not counted in order to maximise the incentive to issue full replies quickly

[9] Includes all Northern Ireland departments' agencies except the Prison Service, and the CSA(NI) and SSA(NI) whose performance is shown separately

[10] In addition 17,151 letters were received from DSS HQ but were passed on to the Department's executive agencies for reply and are therefore included in the agencies' return

[11] Total volumes are not recorded. Performance is calculated through a sample, which in 1997–98 was just under 25,000 letters

[12] Total volume not known. The performance against target was calculated by evaluating 4,000 letters sent out by a research company. In the same period some 780 letters were received addressed to Ministers—80.6 per cent. of these were cleared within 15 days

AGRICULTURE, FISHERIES AND FOOD

Salmon

Mr. William Ross: To ask the Minister of Agriculture, Fisheries and Food if he will list the number and total weight of *(a)* salmon and *(b)* grilse taken by (i) anglers and (ii) commercial nets in (1) drift and (2) estuary nets for each of the last five years and for 1985, 1980 and 1975 or as much of such information as is readily available; and if he will provide the same information for fish classed (x) 1 sea winter, (y) 2 sea winter and (z) 3 sea winter fish. [55569]

Mr. Morley: Available information for England and Wales is given in the table. All figures relate to salmon and grilse although the estimated proportion of grilse in rod catches for the period 1993–97 has also been included. It is not possible to provide any further reliable data on catches broken down by age-class.

Declared catches of salmon (including grilse) for the years 1975, 1980, 1985, 1993–97 in England and Wales

	Rods		Drift nets		Other nets[1]		All nets	
	Numbers caught	Total weight caught (kg)	Numbers caught	Total weight caught (kg)	Numbers caught	Total weight caught (kg)	Numbers caught	Total weight caught (kg)
1975	24,300	n/a	n/a	n/a	n/a	n/a	88,762	340,091
1980	21,145	n/a	n/a	n/a	n/a	n/a	69,073	266,850
1985	19,601	81,788	n/a	n/a	n/a	n/a	75,932	279,318
1993	[2]14,059 [3](78%)	51,091	43,561	157,667	13,005	44,644	56,566	202,311
1994	24,891 [3](75%)	94,022	46,674	174,189	19,783	67,728	66,457	241,917
1995	16,006 [3](70%)	61,009	51,435	187,597	16,224	58,139	67,659	245,736
1996	17,444 [3](63%)	71,469	18,801	73,920	13,879	51,788	32,680	125,708
1997[4]	13,047 [3](73%)	41,996	21,866	75,057	9,593	32,177	31,459	107,234

[1] All nets other than drift nets, including fixed engines
[2] Likely to represent a minimum figure due to low rate of catch returns by anglers
[3] Estimated proportion of grilse in rod catch for the years 1993–97
[4] Provisional figures
n/a = not available

Genetically Modified Organisms

Mr. Mitchell: To ask the Minister of Agriculture, Fisheries and Food what powers he has to prohibit the distribution or sale within the United Kingdom of genetically modified plant products for animal or human foodstuffs; and what proposals have been made by the Commission of the European Community for further regulations or directives permitting their growing or sale. [55693]

Mr. Rooker: Following EU approval under Council Directive 90/220/EEC on the Deliberate Release of Genetically Modified Organisms into the Environment or the Council Regulation 258/97 on Novel Foods and Novel Food Ingredients, the sale of such products can be temporarily prohibited by a Member State if new scientific evidence is provided which demonstrates that human health or the environment is likely to be endangered. Such evidence must then be examined and accepted by other EU Member States before any such prohibition can be made permanent. Moreover, under the Food Safety Act 1990, the distribution and sale of genetically modified food, or food products derived from animals fed on genetically modified materials, could be prohibited if there was an imminent risk of injury to human health.

A Commission proposal for a Council Regulation on Novel Feeds, including genetically modified materials fed to animals, is expected by the end of the year. Discussions are also taking place on a revision of Directive 90/220/EEC with a view towards providing improved procedures for the regulation of genetically modified organisms, particularly a timetable for approval, whilst providing a framework necessary to address the concerns of public and industry.

Calf Processing Aid Scheme

Mr. Gill: To ask the Minister of Agriculture, Fisheries and Food what the total cost of the calf processing aid scheme has been in the United Kingdom in each year to date. [55947]

Mr. Rooker: Expenditure on payments to operators in the UK for each financial year to date has been as follows:

Year	*£ million*
1996–97	51
1997–98	53
1998–99 (to 30 September)	21

Agrimonetary Compensatory Amounts

Mr. Gill: To ask the Minister of Agriculture, Fisheries and Food what is *(a)* the maximum permissible and *(b)* the actual or anticipated total of agrimonetary compensatory amounts paid out in 1997–98 and 1998–99. [55945]

Mr. Rooker: It is not possible to split the agrimonetary compensatory amounts into periods as specified in the question. The total amount that was available to the UK over the period in question is around £958 million, half of which could be reclaimed from the EU budget. This is broken down in the table. The bulk of this compensation was generated by green pound revaluations in 1997.

On 18 December 1997 we announced our intention to access some £85 million of this aid. Payment of this compensation has now been made, with £72.5 million of the aid resulting from the four revaluations of 1997 being paid to suckler cow producers, and £12.5 million being paid to sheep producers to compensate for the drop in their 1998 SAPS payments.

This aid has provided substantial additional assistance to the livestock sector. As we indicated at the time, it was an exceptional response to exceptional circumstances.

Nevertheless, recognising the difficulties being faced by the industry we are maintaining close contact with the farming unions and other interested organisations and keeping the situation under review.

Table showing agrimonetary compensation available to the UK over the period from 1997 to date

£ million

Trigger event	*Deadline for initial notification to commission*	*First year compensation*[1] *Payable*	*EU funded*	*Second year compensation Payable*	*EU funded*
Revaluation of 21 January 1997	31 January 1998	[2]131	[2]65.5	87.3	43.7
Revaluation of 29 March 1997	31 March 1998	[2]123	[2]61.5	82	41
Revaluation of 5 June 1997	30 June 1998	[2]98.6	[2]49.3	65.7	32.9
Direct Payments (arable aid) 1997	31 December 1997	53.4	26.7	nil	nil
Direct Payment (flax and hemp) 1997	31 January 1998	0.4	0.2	nil	nil
Revaluation of 21 August 1997	31 August 1998	[2]112	[2]56	74.6	37.3
Direct payments (livestock, agri-environment and structural) for 1998	30 June 1998	[2]37.9	[2]19	nil	nil
Revaluation of 3 May 1998	31 May 1998	1.5	0.7	0.7	0.3
Direct payments (arable aid)1998	31 December 1998	89.2	44.6	nil	nil
Direct payments (flax and hemp) 1998	31 January 1999	0.9	0.5	nil	nil
Sub total		647.9		310.3	
Total over both periods			958.2		

[1] i.e. during the first 12 month period following the trigger event
[2] Package of aid which was partly accessed to fund the £85 million aid to livestock producers in early 1998

Horses

Mr. Hancock: To ask the Minister of Agriculture, Fisheries and Food what representations he has received concerning the European Union classification of horses as food-producing animals. [55806]

Mr. Rooker: I have received representations from the British Equine Veterinary Association, the Federation of Veterinarians of Europe and individual horse owners. Under European law, the horse is classified as a food producing animal. However, the Government have been guided by a statement by European Commission officials that, if a horse is not destined for human consumption, maximum residue limits are not required. It would of course be a requirement that the product should be clearly marked as not to be used on any horse that might be intended for human consumption.

Mr. Hancock: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the numbers and types of veterinary medicines used for horses which do not currently have a maximum residual limit; and what estimate he has made of the proportion which will not have a submitted MRL by 1 January 2000. [55807]

Mr. Rooker: There are 244 veterinary medicinal products authorised for use in horses in the United Kingdom containing a variety of active ingredients. 197 active ingredients for use in horses have been evaluated under the MRL Regulations. Under European law, the horse is classified as a food producing animal. However, the Government have been guided by a statement by European Commission officials that, if a horse is not destined for human consumption, maximum residue limits are not required.

Mr. Hancock: To ask the Minister of Agriculture, Fisheries and Food which drugs used to support blood pressure during anaesthesia used in the United Kingdom for horses do not currently have a submitted maximum residual level; how many he expects to have a MRL by 1 January; and how many presently have a submitted MRL. [55804]

Mr. Rooker: There is no veterinary medicinal product authorised in the United Kingdom to support blood pressure during anaesthesia of horses. Applications for authorisation should be submitted to the Veterinary Medicines Directorate and would be assessed against statutory criteria for safety, quality and efficacy.

Farm Subsidies

Mr. Kidney: To ask the Minister of Agriculture, Fisheries and Food if he will give a breakdown of the £2 billion provided in 1997–98 to support British agriculture. [55749]

Mr. Rooker: Full details of the financial support for agriculture in 1997–98 can be found in the MAFF/Intervention Board 1998 Departmental Report to Parliament, a copy of which is in the Library of the House.

Organic Farming

Mr. Kidney: To ask the Minister of Agriculture, Fisheries and Food by what means his Department intends to promote the take-up of the new arrangements in support of farmers switching to organic farming. [55751]

Mr. Morley: At the end of July, we announced proposals for a new Organic Aid with substantial improvements in the rate of aid for conversion of most

types of land. The proposals are subject to the approval of the European Commission but it is hoped that the new scheme will be able to begin early next year.

The enhanced rates should in themselves encourage take up of the scheme. But the scheme will be actively promoted and the Government are already giving extra resources to the Organic Conversion Information Service, which provides free advice for those considering farming organically.

Pigs

Mr. Yeo: To ask the Minister of Agriculture, Fisheries and Food on which day he wrote to the Ministry of Defence to ask it to look at the sources from which they buy pork and other pig meat products. [56364]

Mr. Nick Brown *[holding answer 26 October 1998]:* Immediately following my attendance at the Adjournment Debate on the pig industry in the House on 29 July 1998, *Official Report,* columns 346–354, I spoke to colleagues at the Ministry of Defence about their sourcing policies. Inter-departmental discussions at Ministerial and official level followed over the summer, culminating in my writing to my right hon. Friend the Minister for Defence Procurement on 23 September to confirm arrangements for the sourcing for the Armed Forces of pork and other pigmeat products.

Fisheries Council

Mr. Quinn: To ask the Minister of Agriculture, Fisheries and Food what was the outcome of the Fisheries Council held in Luxembourg on 22 October. [57154]

Mr. Morley: I represented the United Kingdom at the meeting of the Fisheries Council in Luxembourg on 22 October together with the Parliamentary Under-Secretary of State, Scottish Office, my hon. Friend the Member for Western Isles (Mr. Macdonald).

Major progress was made towards agreeing measures to amend the fisheries control regulation paving the way for their formal adoption by the end of the year. The proposals are aimed at strengthening control arrangements throughout the fisheries sector, including the more effective monitoring of third country vessels operating in Community waters, improved transparency of enforcement activity, a stronger role for Commission inspectors, and increased co-operation among Member States. Importantly, I was able to secure agreement that Member States may apply national designated port controls to all vessels landing into their territory along with more rigorous Community requirements for vessels landing abroad where designated port arrangements do not operate.

Political agreement was reached on supplementary measures which may be introduced in those Member States affected by the decision at the June Fisheries Council to phase out the use of high seas drift nets. Such measures must be confined to fishermen who suffer a real loss as a result of the drift net ban. They are additional to the options already available under existing structural provisions. A decision will be taken on implementation in the UK after consultations with the fishermen concerned.

The Council had an exchange of views on the future of structural policies in the fisheries sector in the context of proposals tabled by the Commission in March for reform of the EU Structural Funds within the framework of Agenda 2000. Discussion focused in particular on the need for simplification of procedures and for an appropriate balance between measures to achieve restructuring of national fleets and those specific to regional programmes. The Presidency will be reporting these concerns to the General Affairs Council, which is responsible for taking decisions on the Agenda 2000 framework. However, the Fisheries Council will itself return to the subject in the context of a further proposal expected from the European Commission shortly which will set out the detailed proposals for fisheries structural measures.

Tuberculosis

Charlotte Atkins: To ask the Minister of Agriculture, Fisheries and Food what plans he has to improve the collection of information about tuberculosis risk factors from cattle breakdown farms. [57228]

Mr. Rooker: During November the Ministry will be carrying out a pilot study using new survey forms designed to collect information on cattle movements, husbandry practices, wildlife on farms, and the local environment from farms which have suffered TB incidents, and from others which will act as controls. Comments on the forms are being invited from the farming and scientific communities and the public.

In December we will review the forms, and from January we intend to use them to gain information following all TB breakdowns. The information collected will be analysed alongside other data on local weather conditions and patterns of badger activity to determine which factors seem to be associated with a higher TB risk. These factors can then be investigated more closely.

Comprehensive Spending Review

Ms Keeble: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the implications of the Comprehensive Spending Review for his Department's expenditure plans for the next three years. [57156]

Mr. Nick Brown: I explained in broad terms the outcome of the Comprehensive Spending Review (CSR) for MAFF in my written statement to the House on 29 July 1998, *Official Report,* columns *341–45.* Since then my officials have been translating the baselines for current, capital and ring-fenced BSE expenditure into budgets for the Department's individual programmes of activity. This process is complicated by the need to revise the programme structure to fit the Department's new aim and objectives. A detailed breakdown of planned expenditure will be published in MAFF's 1999 Departmental Report.

In the meantime I am setting out the key financial implications of the CSR for MAFF.

Current: running costs

The settlement includes £360.4 million in 1999–2000, £358.7 million in 2000–01 and £349.6 million in 2001–02 for MAFF's gross running costs, a change of £+5.2/+3.5/-5.6 million from the Department's 1998–99 running cost ceiling. Using the Treasury's

GDP deflator, this represents a year-on-year cut in real terms of 1.1/2.9/4.9 per cent. and a cumulative reduction compared with the 1998–99 baseline of 1.1/4.0/8.7 per cent. Included in the Departmental running costs baseline for the next three years is an additional £20.5/29.6/22.1 million for new work (including implementation of the Krebs report, food safety and modernising the administration of CAP payments). That means that the amount available for existing work is £339.9/329.1/327.5 million, a reduction of £15.3/26.1/27.7 million compared with the baseline for 1998–99.

This is a challenging target which will require the Department to find significant savings to cope with price increases, pay awards and other demands over the period. A thorough review of running cost baselines throughout the Department is currently in progress in order to ensure that resources are directed where they are most needed.

As part of the CSR settlement on running costs, MAFF is required to agree with Treasury a set of service delivery targets and an aggregate efficiency target. This work is in hand and will form part of the Department's Public Service Agreement, a new feature of the post-CSR arrangements which will set out in a single published document the Department's aims and objectives, resources, targets and efficiency plans for the three years 1999–2000 to 2001–02.

Current: scheme

Scheme expenditure (or programme expenditure as it is also known) includes non-CAP support and compensation payments to farmers (for example, under the agri-environment schemes) and MAFF's payments for work undertaken on its behalf by its Executive Agencies.

The plans allow for additional funding over and above the 1998–99 baseline in the following areas:

(i) food safety—a total of £3.9 million (plus £8.4 million in running costs—included in the Departmental running cost figures above) over the next three years to support work on protecting the public which will transfer to the Food Standards Agency, when established, and to help rebuild public confidence in the safety of the food supply;

(ii) animal health—an extra £4.4/4.6/4.4 million for implementing the Krebs Report on badgers and bovine tuberculosis, additional TB testing and on-farm surveillance work related to foodborne zoonoses;

(iii) countryside—an extra £7.6/14.3/19.5 million to fund improvements and enhancements to the agri-environment schemes as described in the Minister's statement on 29 July 1998, *Official Report*, column *349*, including extra funds to enhance the payment rates under the Organic Aid scheme. In addition the sum available for new Countryside Stewardship agreements in 1999 will be raised by £1.0 million to £7.5 million.

(iv) export promotion—£0.6/1.0/1.0 million to restore sums transferred from Food from Britain's core funding in 1996 to support the Sector Challenge scheme.

Since the CSR settlement on scheme expenditure is insufficient to meet all the requirements for additional funding, the Department's plans allow for the following offsetting savings:

(i) £0.0/-2.4/-3.5 million from the closure of the Nitrate Sensitive Areas scheme;

(ii) £-0.4/-0.9/-1.5 million from the closure of the Postgraduate Agricultural and Food Studentships Scheme to new applicants; and;

(iii) £-1.0/-2.0/-3.0 million as a result of seeking to transfer to industry the responsibility for funding some of the MAFF research from which industry benefits directly.

In addition to the Department's expenditure plans assume the transfer to industry of the cost of milk testing for brucellosis and Enzootic Bovine Leukosis in 2000 and extending the range of chargeable work for the inspection of plant imports.

Capital

The Department's capital spending plans allow for the following increases in funding compared with the current baseline:

(i) flood defence—an extra £5.0/8.0/10.0 million in grant aid for flood and coastal defences;

(ii) marine research vessel—additional provision of £0.4/11.5/11.6 million for the commissioning of a new vessel to replace the two aging vessels currently operated by the Centre for Environment, Fisheries and Aquaculture Science (CEFAS);

(iii) CAP administration—£2.6/3.4/1.5 million (plus an extra £15.5 million in running costs over the three years—included in the Departmental running cost figures above) to modernise the administration of CAP payments to farmers by setting up a new integrated IT system, incorporating a Geographical Information System;

(iv) Objective 5(b)—£12.4/13.3/0.3 million for legally binding commitments that must be met in respect of payments under the EU's rural development programme in Objective 5(b) areas;

(v) fishing vessel decommissioning—new provision totalling £10.5 million over the three years towards restructuring of the fishing fleet, to complement the effort control arrangements already introduced.

Under the new public expenditure arrangements MAFF, like other departments, is required to produce a Departmental Investment Strategy (DIS) setting out how its capital resources will be spent and managed over the next three years. The DIS will cover all aspects of the Department's capital budget, including planned expenditure on buildings and IT and the disposal of assets. On the latter the CSR settlement incorporates certain assumptions about assets disposal. These include the sale of the Covent Garden Market site in 2000–01, subject to the passage of enabling primary legislation, and the sale of the MAFF office site at Tolworth also in 2000–01.

BSE

Over the next three years the baseline for ring-fenced BSE expenditure by MAFF and the Intervention Board will fall by £194/223/230 million compared with 1998–99. This reduction assumes that there will be savings on the Over Thirty Month Scheme as a result of green rate adjustments, that the costs of some of the control measures will be recovered from the industry through charges and that the Calf Processing Aid Scheme will close. I am reviewing with colleagues the precise timing of some of these savings in the light of representations I have received from the NFU about the state of the UK farming industry.

Despite the continued fall in the number of BSE cases overall expenditure remains high (£460–500 million a year) because of the precautionary measures that remain in place.

Written Answers to Questions

Wednesday 28 October 1998

LORD CHANCELLOR'S DEPARTMENT

Child Abduction

Sir John Stanley: To ask the Minister of State, Lord Chancellor's Department if he will list the improvements he wishes to see in the operation of the 1980 Hague Convention on the Civil Aspects of International Child Abduction, and if he will make a statement. [56680]

Mr. Hoon: The Government are generally satisfied with the legal principles underlying the operation of the Convention, which provides for the return of children who have been wrongfully removed from, or wrongfully retained away from, their country of habitual residence. There is always scope for improvement through better coordination and cooperation among contracting states. Discussions on specific problems take place regularly with other contracting states through judicial and administrative channels. Proposals put forward at the Third Meeting of the Special Commission of the Hague Conference are set out in their report published in August 1997.

Sir John Stanley: To ask the Minister of State, Lord Chancellor's Department if he will place in the Library all information available to him about *(a)* the deliberations of the Special Commission to review the 1980 Hague Convention on the Civil Aspects of International Child Abduction which took place in March 1997 and *(b)* the Special Commission's conclusions. [56686]

Mr. Hoon: The Permanent Bureau of the Hague Conference published a report on the March 1997 Third Special Commission on the 1980 Hague Child Abduction Convention in August 1997. Copies will be placed in the Library as soon as possible. A bibliography on this Convention is available on the Internet at web site http://www.hcch.net.

Court Service Charter

Dr. Lynne Jones: To ask the Minister of State, Lord Chancellor's Department if, for each of the last five years, he will give the number of complaints made under the Court Service Charter, the percentage of complaints upheld and the average and total amount of compensation paid to complainants. [56020]

Mr. Hoon: The Court Service became an executive agency of the Lord Chancellor's Department in April 1995. This information, specific to the Court Service, cannot be provided prior to this date. In addition, for the first year (April 1995-March 1996) there was no central system in place to measure the information required. This could therefore be obtained only at disproportionate cost.

For the financial year April 1996-March 1997, there were 1,100 justified claims for compensation and the total amount paid out was £404,095.11, an average of £367 per claim. For the financial year April 1997-March 1998 there were 1,033 justified claims for compensation. The total amount paid out during that period was £610,328.52, an average of £590 per claim. It should be noted that one payment alone in this period totalled more than £110,806.35.

Information on the total number of complaints made under the Court Service Charter is not available centrally and could be obtained only at disproportionate cost.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Visual Amenity (Planning Regulations)

Dr. Cable: To ask the Secretary of State for the Environment, Transport and the Regions what plans the Government have to review the planning regulations in respect of visual amenity and the impact of *(a)* mobile telephone aerials, *(b)* windmills and *(c)* electricity pylons. [56345]

Mr. Raynsford: None. I am satisfied that the existing framework of regulation and guidance is adequate.

Overseas Visits (Advisers)

Mrs. Gillan: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the overseas visits between 1 July and 19 October on which Ministers have been accompanied by special advisers and, for each trip, *(a)* the name of the adviser, *(b)* the class and cost of travel booked for the adviser, *(c)* the class of travel actually used by the adviser and *(d)* the accommodation and ancillary costs for the adviser. [55999]

Mr. Meale *[holding answer 22 October 1998]:* The Ministerial Code requires Ministers always to make efficient and cost effective travel arrangements. In line with the practice of successive Administrations, civil servants (including Special Advisers) accompanying Ministers on overseas visits are entitled to use the same class of travel as the Minister they are accompanying to facilitate briefings and discussions. Ministers in this Department were accompanied by a Special Adviser on 4 overseas visits to Hong Kong and China, Portugal, Japan and Singapore, and Vienna. They were also accompanied by a total of 10 civil servants at a total cost of to date £67,431. Some invoices are still awaited for the Japan and Vienna trips.

European Structural Funds

Mr. Alasdair Morgan: To ask the Secretary of State for the Environment, Transport and the Regions what have been the annual running costs for each year since their establishment of each of the regional committees or bodies for the disbursement of European structural funds; and by what means such costs are scrutinised. [56251]

Mr. Meale: In England the Government Office for the Regions provide the Chair and secretariat to the Programme Monitoring Committees (PMCs) responsible for the disbursement of funds for Objective 1, 2 and

5b programmes and most Community Initiatives, under the European Structural Funds. The current programmes have been running since 1994 and are worth approximately £400 million/year. The table shows the total outturn costs for Government Offices of managing those funds for which they are responsible, on an annual basis since 1995–96. Figures for 1994–95 are not available in this format. This table includes the costs of managing the regional allocations of DfEE national programmes, but not those administered by MAFF. It also does not include the cost of secondees from Programme partners to the Government Offices, or the expenses of the partnership representatives who form the membership of the PMCs.

The running costs of Government Offices, including expenditure incurred in managing European programmes, are subject to monitoring from the Government Office Central Unit and the three parent Departments (DETR, DfEE and DTI). A programme of audits is also carried out by the Departments' internal auditors.

Go-Minis 2, 3 and 4

£000

Pay and service costs	*1995–96—outturn* *European funding*	*1996–97—outturn* *ESF*	*Other European*	*1997–98—outturn* *ESF*	*Other European*	*1998–99—allocation* *ESF*	*Other European*	*Total*
GO-NE	457.00	73.55	399.60	36.00	470.00	119.72	516.30	2,072.17
GO-NW	505.00	92.05	422.15	106.10	416.06	188.82	421.19	2,151.37
GO-M	357.00	187.24	364.54	206.51	408.43	213.53	480.96	2,218.21
GO-YH	481.00	64.26	457.55	64.26	457.55	92.18	477.27	2,094.07
GO-WM	402.00	62.64	439.57	102.00	464.01	142.55	494.42	2,107.19
GO-EM	353.00	61.11	285.07	45.26	385.22	80.00	418.89	1,628.55
GO-ER	207.00	5.20	273.00	54.80	213.80	76.90	208.66	1,039.36
GO-SE	300.00	51.72	186.53	34.71	259.34	159.85	243.75	1,235.90
GO-SW	325.00	95.00	474.00	123.00	465.00	180.00	465.00	2,127.00
GO-L	288.00	30.00	294.15	62.28	275.83	164.00	305.00	1,419.26
Total	3,675.00	722.77	3,596.16	834.92	3,815.24	1,417.55	4,031.44	18,093.08

Energy-efficient Lighting

Mr. Stunell: To ask the Secretary of State for the Environment, Transport and the Regions what steps he has taken to encourage the use of energy-efficient lighting in accommodation occupied by his Department. [56193]

Ms Glenda Jackson: Property managers are asked to install energy efficient lighting, control systems and sensors to help meet DETR's target to cut energy use by 20 per cent. by March 2000 compared to March 1991. Lighting systems in new buildings use 50 per cent. less energy. Schemes are promoted to replace inefficient lighting systems in older buildings. For example, the Government Office for London has recently installed new lighting to cut energy use by 16 per cent. A new energy strategy is being drawn up to audit all buildings in DETR and to promote further measures to cut energy use. This will include more investment in energy efficient lighting systems.

Nuclear Fuel Flasks

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the numbers of nuclear fuel flasks originating in *(a)* France, *(b)* Germany and *(c)* Switzerland, which have been allowed into the United Kingdom and have levels of loose contamination in excess of levels normally found on flasks of United Kingdom origin. [56352]

Ms Glenda Jackson *[holding answer 26 October 1998]:* During the period from September 1996 to date, no nuclear fuel shipments entering the United Kingdom from Germany and Switzerland revealed loose contamination in excess of the regulatory levels. However, one flask shipment from Germany and one from Switzerland showed loose contamination at Dunkirk, whilst en-route to the United Kingdom. In both cases the contamination was removed to below the regulatory level before entering the UK and the flasks were found clean on arrival at Sellafield. France does not usually send spent fuel to the United Kingdom.

Genetically Modified Organisms

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of recent tests in Germany on genetically modified maize in respect of cross-pollination with natural maize; and if he will make a statement. [56509]

Mr. Meacher *[holding answer 26 October 1998]:* I have not seen the results of the German tests on maize. I will ask officials to investigate and will respond in due course.

Carbon Dioxide Emissions

Mr. Blizzard: To ask the Secretary of State for the Environment, Transport and the Regions what percentages of total carbon dioxide emissions in the United Kingdom arise from *(a)* power generation, *(b)* industrial production and *(c)* transport. [56828]

Mr. Meale: Power generation, industrial production and transport accounted respectively for about 27 per cent., 26 per cent. and 21 per cent. of total UK emissions of carbon dioxide in 1996, the most recent year for which final data are available. Provisional data for 1997 indicate that the percentage shares for the same three categories were 26 per cent., 26 per cent. and 22 per cent. respectively.

Telecommunications

Mr. Blizzard: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the future capacity of electronic communication to reduce transport need. [56731]

Ms Glenda Jackson: Over 1 million people already use telecommunications to work from home for at least part of their working week, cutting the number of commuter journeys they make. Given the rate of technological progress, the number of people working in this way is expected to increase in the future.

As the Integrated White Paper stated, this Government support the use of telecommunications to reduce travel and hope that companies will actively consider the possibilities in drawing up green transport plans. The environmental benefits will generally be greatest if teleworking is targeted at people who would otherwise do significant amounts of car travel. There will also be greater benefits if reduced commuter traffic is not replaced by more car journeys from the home, as could happen if improved telecommunications encourage people to shift from urban to rural areas, prompting less sustainable travel patterns overall.

Ministerial Vehicles

Mr. Collins: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the engine capacity of each vehicle used on official duties by Ministers in his Department. [56546]

Mr. Prescott *[holding answer 26 October 1998]:* My Department has Supply and Service Agreements with the Government Car and Despatch Agency for 9 vehicles for Ministers. Seven of the cars have engine capacities of 2 litres, the others being 4 litres and 2.7 litres respectively.

Cyclists

Mr. Cox: To ask the Secretary of State for the Environment, Transport and the Regions if he will introduce a winter campaign to encourage cyclists to wear reflective strips on their clothing; and if he will make a statement. [56720]

Ms Glenda Jackson: My Department has this week made available new promotional material for young cyclists explaining the importance of being visible to traffic by using lights and reflectors and appropriate clothing—bright or fluorescent by day and reflective at night. As part of the promotion we have produced 750,000 leaflets incorporating reflective stickers. They are available free through local authority road safety officers. The Highway Code and Highway Code for Young Road Users also give advice on this issue to pedestrians and cyclists of all ages.

Aviation Fuels

Dr. Lynne Jones: To ask the Secretary of State for the Environment, Transport and the Regions if he will assess the advantages of introducing a global levy on aviation fuels for investment in sustainable development. [56514]

Ms Glenda Jackson: The Government support, in principle, the introduction of a tax on aviation fuel at an international level and will continue to pursue, within the International Civil Aviation Organisation, the potential for market based options such as a global levy on aviation fuel.

Greenhouse Gases

Dr. Lynne Jones: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the current trend in UK emissions of greenhouse gases; and what estimate he has made of the level of such emissions in 2010 relative to those in 1990. [56513]

Mr. Meale: Total emissions of greenhouse gases from the UK have fallen from 215 million tonnes carbon equivalent in 1990 to 204 million tonnes carbon equivalent in 1996, the latest year for which figures are available.

Assuming existing policies and measures, total greenhouse gas emissions are expected to fall by approximately 10 per cent. from 1990 to 2010. Earlier this week, my Department launched a consultation document on additional policy options for meeting its climate change targets.

Kyoto Agreement

Dr. Lynne Jones: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the actions taken by the Government since the Kyoto agreement to ensure that the UK meets its emissions reductions targets; and what assessment he has made of the actions taken by the US Government to reduce their country's CO_2 emissions. [56512]

Mr. Meale: On 26 October the Government launched a consultation paper which lists the steps we have already taken and sets out in detail further options on how the UK could reduce its emissions of greenhouse gases. It aims to stimulate a national debate about how the UK can meet both the legally binding Kyoto target to cut emissions to 12.5 per cent. below 1990 levels by 2008 to 2012 and our domestic goal of a 20 per cent. cut in carbon dioxide emissions by 2010.

Our newclimate change programme will include measures to improve energy efficiency by business and in the home; reduce transport emissions; and increase the proportion of electricity generated from renewable sources and combined heat and power schemes.

Through our Washington Embassy and other contacts we receive regular reports of action taken and proposed, by the US Government to reduce their carbon dioxide and other greenhouse gas emissions. A recent US Administration report (*"The Kyoto Protocol and the President's Policies to Address Climate Change: Administration Economic Analysis"*, July 1998) assessing the economic implications of their Kyoto target concluded that there was a strong rationale for action because of the dangers of climate change, and that the costs of doing so were likely to be modest.

Leylandii

Mr. Luff: To ask the Secretary of State for the Environment, Transport and the Regions if he has reached a conclusion on the most appropriate method of enabling local planning authorities to control the impact of Leylandii and other fast growing conifers. [56417]

Mr. Meale: We are continuing to consider carefully whether Government intervention in relation to problems caused by these plants is necessary. We will announce our conclusions in due course.

We are separately, with the support of the horticultural industry, local government and consumer interests, drawing up a voluntary code of good practice on the sale, use and maintenance of such plants for domestic hedges. It will include guidance to garden centres, nurseries and other outlets on how to give purchasers practical information about their growth potential and the work needed to maintain them. The provision of better advice and information to consumers under this code should help to ensure that we do not store up more problems for the future.

Planning Applications

Mr. Martlew: To ask the Secretary of State for the Environment, Transport and the Regions after what period of time he takes action to obtain essential information which he has judged to be missing from planning applications which he has called in for determination. [56438]

Mr. Raynsford: This will depend on the individual circumstances of each application. Action is normally taken as soon as it becomes apparent that the relevant information is required in support of an application.

Mr. Martlew: To ask the Secretary of State for the Environment, Transport and the Regions when he expects to reach a decision on the planning application made by Michael Knighton and Carlisle AFC for a mixed leisure and recreational development, which was called in on 8 January 1997. [56439]

Mr. Raynsford: The application in question has been withdrawn and so is no longer before the Secretary of State for determination.

British Waterways

Mr. Laurence Robertson: To ask the Secretary of State for the Environment, Transport and the Regions when he expects to make a decision about the future status of British Waterways; what options he is considering; and if he will make a statement. [56566]

Mr. Pearson: To ask the Secretary of State for the Environment, Transport and the Regions (1) what plans he has to consult interested individuals and organisations regarding the future role and status of British Waterways; [56434]

(2) what representations he has received regarding British Waterways becoming a trust; and if he will make a statement; [56433]

(3) what plans he has for the future status of the British Waterways Board; and if he will make a statement. [56431]

Mr. Meale: The Government have been considering a range of possible options for the future of British Waterways (BW). These include the option, proposed by the British Waterways Board, of establishing a statutory, charitable trust in the private sector. Other options include retaining BW in the public sector while developing BW's access to private sector finance and expertise.

Following BW's publication of its trust proposal, I have received a number of representations on the subject from employee representatives, waterway organisations and members of the public. No decisions have yet been taken. Once we have reached a view on the preferred option, we will inform Parliament and discuss it with interested parties.

Mr. Pearson: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the Government's planned contribution to British Waterways in (i) 1997–98, (ii) 1998–99 and (iii) 1999–2000. [56432]

Mr. Meale: The amount of grant-in-aid to British Waterways over this period is as follows:

Year	*£ million*
1997–98	51.890
1998–99	52.690
1999–2000	Not yet advised

New Forest

Mr. Swayne: To ask the Secretary of State for the Environment, Transport and the Regions what discussions he has had with the Minister of Agriculture, Fisheries and Food regarding the number of broadleaf trees currently being felled in the New Forest; and if he will publish his Department's correspondence with the Ministry of Agriculture regarding the revision of the Ministers Mandate. [56504]

Mr. Meale: The Forestry Commission is responsible for managing the Crown lands of the New Forest and it does so in accordance with the Minister's Mandate. As far as I am aware, there have been no discussions or correspondence between my Department and either the Forestry Commission or the Ministry of Agriculture, Fisheries and Food about the revision of the Mandate or the felling of broadleaf trees in the New Forest.

Transport Co-ordination

Mr. Jenkin: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to paragraph 3.68 of the Government's White Paper, A New Deal for Transport, when he proposes to issue general guidance on the application of prohibitions in proposed competition legislation to facilitate co-operation between operators in respect of connecting services, co-ordinating timetables and integrating networks; and if he will make a statement. [56688]

Ms Glenda Jackson *[holding answer 27 October 1998]:* The responsibility for issuing general guidance on the application of the prohibitions on anti-competitive agreements and the abuse of market power lies with the Director General of Fair Trading under Clause 52 of the Competition Bill, which will receive Royal Assent shortly.

Rural Mobile Shops

Mr. Laurence Robertson: To ask the Secretary of State for the Environment, Transport and the Regions what grants from his Department are available for the providers of rural mobile shops; and if he will make a statement. [56556]

Mr. Meale: The Department does not provide grants for rural mobile or permanent shops (although there may be scope for such funding within part of a wider regeneration scheme funded through the Single Regeneration Budget). The Government's agency, the Rural Development Commission, can provide grants for rural mobile shops, particularly where a fixed shop is not viable. However, the Commission's priority is to support fixed shops which, in general, provide a more complete service for the community.

Rail Freight

Sir John Stanley: To ask the Secretary of State for the Environment, Transport and the Regions (1) with which parties his Department has been having discussions on a Euro-gauge freight rail system from the Channel Tunnel to Scotland; [56310]

(2) what is his policy towards the proposed piggy-back rail-freight scheme; and if he will make a statement. [56312]

Ms Glenda Jackson: For some months, Railtrack has been working on an application for grant assistance for a major rail freight upgrade. In drawing up its application the company has had lengthy discussions with my officials. We expect to receive a grant application shortly. It will be treated on its merits.

Sir John Stanley: To ask the Secretary of State for the Environment, Transport and the Regions what is his policy towards the proposed central railway rail-freight scheme; and if he will make a statement. [56311]

Dr. Reid: Ministers have seen only the consultation documents which Central Railway has recently issued. The Government have therefore not taken a view on the scheme.

Sir John Stanley: To ask the Secretary of State for the Environment, Transport and the Regions (1) by what year he estimates on present projections the Channel Tunnel's rail-freight carrying capacity will be fully utilised; [56313]

(2) by what percentage he estimates the volume of rail-freight going through the Channel Tunnel would be increased if the Channel Tunnel's rail-freight capacity was fully utilised. [56314]

Ms Glenda Jackson: English Welsh & Scottish Railway (EWS) acquired the Railfreight Distribution business from the BR Board in 1997 and now operates freight services through the Tunnel. EWS estimates that, given the current mix of Eurostar, Le Shuttle and freight trains, the share of Eurotunnel capacity allocated to the national railways for freight trans will be fully utilised in ten years. The company also estimates that at that point in time, volumes will have more than doubled.

Area-based Initiatives

Mr. Singh: To ask the Secretary of State for the Environment, Transport and the Regions what arrangements the Government are making to ensure effective co-ordination of its area-based initiatives. [57389]

Mr. Prescott: The Government are committed to tackling social exclusion, reducing inequality and promoting regeneration and development. To help meet this commitment they have, in their first 18 months, launched specific area-based programmes and initiatives including Health Action Zones, the New Deal for Communities, Employment Zones and Education Action Zones.

These area-based programmes have their own distinct goals. But they share key characteristics. They are targeted on areas and communities where there is a need for priority action; they aim to support new, cross-cutting approaches; they promote genuine local partnerships with stronger local involvement; and they encourage greater flexibility and responsiveness in the operation of public spending programmes.

I am announcing today measures to ensure that area-based initiatives at neighbourhood, local, regional and national level are co-ordinated so that they serve local people as effectively as possible.

The Cabinet Office and my Department have circulated a guidance note to all Departments. The guidance note

- outlines the strategy for co-ordination of initiatives;
- defines the common characteristics of many area-based initiatives; and
- sets out the arrangements for handling proposed new area based initiatives and extensions to existing ones.

Copies of the guidance note have been placed in the Library of the House.

My Department is commissioning research on the mapping of these initiatives and on options for streamlining their accountability and funding. These projects will help us gain a better understanding of the interactions between area-based initiatives.

An interdepartmental support unit is being established in my Department to carry out day-to-day exchanges of information, advise on future initiatives and support their monitoring and evaluation.

In six key locations, which represent a cross-section of types of area and where there is a range of initiatives, the Government will build on experience and support the development of models of best practice in managing and co-ordinating initiatives. They will explore what lessons can be learnt, both about the way in which individual initiatives are delivered, and about their relationship to main public spending programmes. The proposed areas are: Newcastle; Plymouth; South Yorkshire; East London (Hackney, Newham and Tower Hamlets); West Cumbria and Sandwell. The Government will be contacting key interests in those areas, including local communities to discuss how to take forward these studies and define the target areas more closely.

The Government support the Local Government Association (LGA) New Commitment to Regeneration Initiative which is seeking a more co-ordinated and flexible approach to regeneration in 22 pathfinder areas through the preparation of comprehensive regeneration strategies for their areas. In these areas the implementation of area-based initiatives will take account of the emerging pathfinder strategies. The progress of the LGA New Commitment will be monitored at regular Central/Local Partnership meetings between the LGA and the Government.

The Government will continue to support the City Pride initiatives in Birmingham, London and Manchester through which local partnerships are pursuing a shared strategic vision of their areas.

Government Offices for the Regions and, in due course and subject to legislation, Regional Development Agencies will play a key part at regional level in the co-ordination of area-based initiatives.

In line with the Social Exclusion Unit report "Bringing Britain Together: a national strategy for neighbourhood renewal" an action team, led by my Department, will report by April 1999 on how to build on existing area-based initiatives and Local Government reform so that in the long term broad based strategies to prevent and tackle social exclusion become the norm, and good practice is disseminated and acted on. This will include development of more effective ways of disseminating information about the wider context within which regeneration programmes and initiatives operate.

The Government will keep these arrangements under review and reflect the outcome of relevant research and studies in the future development and operation of their programmes and initiatives.

Environmental Impact Assessment Directive

Mr. Ennis: To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received in the light of the consultation paper, Draft Town and Country Planning (Assessment of Environmental Effects) (England and Wales) Regulations 1998, implementing the requirements of the amended Environmental Impact Assessment Directive (97/11/EC); and if he will make a statement. [57391]

Mr. Caborn: The consultation paper on the draft Town and Country Planning (Assessment of Environmental Effects) (England and Wales) Regulations 1998 was issued on 21 July 1998. To date, 105 responses have been received from business, local government and environmental organisations, as well as members of the public. A list of the responses has been placed in the library of the House and copies of all the responses have been placed in the DETR library. The Government are considering these responses and the Regulations will come into force on 14 March 1999.

Unauthorised Camping

Mr. Pearson: To ask the Secretary of State for the Environment, Transport and the Regions when he will publish good practice advice for local authorities and the police on managing unauthorised camping; and if he will make a statement. [57089]

Mr. Raynsford: This Department and the Home Office have worked together to produce joint good practice guidance for local authorities and the police on managing unauthorised camping, based on research carried out by the University of Birmingham. I will be launching the guidance, and the associated research report, on 29 October at a conference organised by the National Association of Gypsy and Traveller Officers in Coventry.

Copies of the good practice guidance and the report will be placed in the libraries of both Houses.

SCOTLAND

Genetically Modified Food

Mr. Sarwar: To ask the Secretary of State for Scotland what recent representations he has received on genetically modified food. [56712]

Mr. Galbraith: In the last year, on this matter, The Scottish Office has dealt with 84 cases of Ministerial correspondence; in addition, a further 69 cases have been dealt with by officials.

EDUCATION AND EMPLOYMENT

Chelmsford Jobcentre

Mr. Burns: To ask the Secretary of State for Education and Employment if he will list the number of notified job vacancies at Chelmsford Jobcentre for each of the last 12 months for which figures are available. [56551]

Mr. Andrew Smith: Responsibility for the subject of the question has been delegated to the Employment Service agency under its Chief Executive. I have asked him to arrange for a reply to be given.

Letter from Richard Foster to Mr. Simon Burns, dated 28 October 1998:

The Secretary of State has asked me to reply to your question in which you asked for information about the numbers of notified job vacancies at Chelmsford Jobcentre for each of the last 12 months. This is something which falls within the responsibilities delegated to Leigh Lewis as Chief Executive of the Employment Service. I am replying in his absence.

Vacancies notified to this Jobcentre were as follows:

October 1997: 587

November 1997: 782

December 1997: 584

January 1998: 248

February 1998: 591

March 1998: 549

April 1998: 483

May 1998: 505

June 1998: 540

July 1998: 871

August 1998: 738

September 1998: 791

I hope this is helpful.

Special Learning Needs

Mr. Corbett: To ask the Secretary of State for Education and Employment by what means he monitors the ability of providers of vocational and other courses for people with disabilities to cope with their special learning needs. [56962]

Mr. Mudie: All provision funded by the Further Education Funding Council is monitored by the Council's Inspectorate. Provision funded by Training and Enterprise Councils is similarly monitored by the Training Standards Council. Both organisations have regard to the arrangements made for people with special learning needs when carrying out their inspections. Their reports are published.

EU Children's Comic

Mr. Gill: To ask the Secretary of State for Education and Employment what has been the total cost to public funds to date in connection with the EU children's comic entitled "The Raspberry Ice Cream War". [56764]

Mr. Andrew Smith: Publication of "The Raspberry Ice Cream War" is funded by the European Commission. No details of its costs are available.

PRIME MINISTER

Community Hospitals

Q11. **Dr. Harris:** To ask the Prime Minister if he will make a statement on the Government's policy on community hospitals. [54801]

The Prime Minister: As I said in the House before the summer break, the Government recognise the important role that community hospitals can play in delivering locally based patient care. However, they must meet the same high-quality standards, and fairness and efficiency tests, as any other hospitals.

Euro

Mr. Cash: To ask the Prime Minister (1) how much the Government have *(a)* spent and *(b)* propose to spend in relation to the euro by way of (i) direct mail shots, (ii) pamphlets and information circulars, (iii) advertising on radio and television and (iv) schools information. [56939]

(2) what moneys have been *(a)* spent and *(b)* allocated by Her Majesty's Government towards circulating literature relating to the euro and to the preparation for the euro and to promoting awareness of the implications of the euro. [57006]

The Prime Minister: The single European currency will be introduced in 11 countries in Europe on 1 January 1999. The eurozone will form a market of nearly 300 million customers, and will account for about one-fifth of the world economy. It is by far the most important marketplace for UK business, accounting for around 50 per cent. of our total exports.

The Government's communication campaign on the euro is aimed at ensuring UK businesses, especially small and medium firms, are aware of the implications of the introduction of the single currency from 1 January 1999 and have the information they need to prepare.

To meet this objective, the Treasury Euro Preparations Unit received Summer Supplementary Estimate provision of £7.5 million for 1998–99. Spend to date has been approximately £0.5 million for direct mailing to 1.6 million UK SMEs, £0.5 million for the printing of factsheets and flyers, and £3.8 million for the costs of radio and television advertising. These figures do not include VAT or postage.

Additionally, the Euro Preparations Unit (EPU) has advertised in the national and regional press, organised regional seminars and training programmes, and produced a number of publications. No information packs have yet been produced specifically for schools. We will look to do so in the future when it is appropriate.

Decisions on any further spending will be based on an assessment of the effectiveness of the current campaign.

Tibet

Mr. Collins: To ask the Prime Minister if he raised the Chinese occupation of Tibet with his hosts during his recent visit to China. [56550]

The Prime Minister: In my meetings with Chinese leaders, I raised the issue of Tibet and urged China to enter into talks with the Dalai Lama without pre-conditions in order to seek a lasting solution.

Cuba

Mr. Wilkinson: To ask the Prime Minister if he will list the members of the Government who have met members of the Government of Cuba since 2 May 1997, separately identifying those who have met President Fidel Castro. [57030]

The Prime Minister: The following members of the Government have met with members of the Government of Cuba since 2 May 1997:

The Baroness Symons of Vernham Dean

Tony Lloyd MP

George Foulkes MP

George Howarth MP

Jeff Rooker MP.

President Fidel Castro was one of the Heads of Government I met briefly in the margins of the commemoration of the 50th Anniversary of the GATT in Geneva in May.

SOCIAL SECURITY

Welfare Reform

Dr. Lynne Jones: To ask the Secretary of State for Social Security if he will publish a summary of responses to the Green Paper on Welfare Reform. [56021]

Mr. Darling: Consultation on the Welfare Reform Green Paper ended on 31 July, and over 1,050 responses have been received. Half of the responses came from organisations—including both national bodies and local groups, and academic bodies. Most of the remaining responses came from individuals. Seventy hon. Members also submitted responses, many from their constituents.

This has been a useful consultation on the principles that should underpin the Government's plans for welfare reform. The Green Paper set out a clear philosophy for the welfare state. "Work for those who can, security for those who cannot" is the foundation of our programme. It has received overwhelming support. The public's response demonstrates first a widespread recognition of the need for welfare reform, and secondly, endorsement of our approach.

Today I announced the publication of three documents, "Principles into Practice", "The Gateway to Work" and "Support for Disabled People", which mark the next stage of reform, containing detailed proposals for turning those principles into practice.

A list of the organisations and academic bodies who responded has been placed in the Library. Due to their number and size it has not been possible to accommodate responses in the library. However, copies of the list and specific responses are available on request from the Department of Social Security, by contacting the Welfare Reform Unit, 5th Floor, The Adelphi, 1–11 John Adam St., London WC2N 6HT.

Mr. Webb: To ask the Secretary of State for Social Security (1) what is his definition of loss in the context of his policy that welfare reform will not lead to losses for existing recipients; and what steps he has taken to ensure that no reform to date has lead to such a loss; [56676]

(2) if his policy of ensuring that no current recipients of social security benefits lose as a result of the Government's welfare reform programme takes into account real terms losses from non-indexation of benefits. [56515]

Mr. Darling *[holding answer 26 October 1998]:* We are today announcing reforms for people of working age. Details of how they will affect existing recipients of Social Security benefits are in the documents "Principles into Practice", "The Gateway to Work" and "Support for Disabled People" being published today. We are also announcing today details of the review of benefit rates.

Income Support

Dr. Lynne Jones: To ask the Secretary of State for Social Security if he will review the capital limits for income support. [56023]

Angela Eagle: We have no plans to change these limits at present. However, we continue to review the benefit rules as part of our commitment to modernise the Social Security system.

Incapacity Benefit

Mr. Gordon Marsden: To ask the Secretary of State for Social Security (1) how many people currently claim *(a)* short-term and *(b)* long-term incapacity benefit; [55934]

(2) what proportion of incapacity benefit claimants currently receive the long-term rate; [55938]

(3) what proportion of current claimants of incapacity benefit are aged *(a)* 25 to 35, *(b)* 35 to 45, *(c)* 45 to 55 and *(d)* 55 to 65 years. [55940]

Mr. Timms: At 31 May 1998, there were 1,644,640 Incapacity Benefit recipients. Of these, 102,400 received short-term lower rate, 99,180 short-term higher rate and 1,443,060, 87.7 per cent. long-term rate.

Of the 1,644,640 recipients, 1,545,560 were aged over 25 and under 65. The breakdown is set out in the table.

Age at 31 May 1998	*Recipients*	*Percentage*
All ages	1,644,640	100
25 to 34	145,500	9
35 to 44	252,220	15
45 to 54	464,420	28
55 to 64[1]	683,420	42

[1] Includes 25,220 women over pension age

Note:

The figures are taken from a 5 per cent. scan of the computer and exclude a small number of cases not on the system.

Mr. Gordon Marsden: To ask the Secretary of State for Social Security what estimate his Department has made of the number of those currently receiving incapacity benefit who are capable of employment. [55933]

Mr. Timms: In order to qualify for Incapacity Benefit, a person must be assessed as "incapable of work" either for their own occupation or under the All Work Test. This does not mean that people who satisfy the All Work Test are unable to do any work at all: it simply establishes that their incapacity is such that it would be unreasonable to expect them to seek work as a condition for getting benefit. In practice, many people who satisfy the All Work Test may be capable of doing some work given the right help and support: survey evidence shows that around two million disabled people already work and over one million more would like to do so if they were given the right assistance.

We intend to change the All Work Test so that, as well as assessing people's incapacity in order to determine their benefit entitlement, it also provides information about their capacities. Together with a wider assessment of employability, this information can then be used to provide the help and support which disabled people need if they are to seek to return to work and increase their independence.

Mr. Gordon Marsden: To ask the Secretary of State for Social Security what proportion of current claimants have been in receipt of incapacity benefit for *(a)* under six months, *(b)* six to 12 months, *(c)* one to two years and *(d)* over two years. [55941]

Mr. Timms: The information is set out in the table.

Recipients of incapacity benefit at 31 March 1997

	Recipients	*Percentage*
All durations	1,797,900	100
Under 6 months	170,900	10
6 months to 1 year	114,700	6
1 to 2 years	164,900	9
2 years and over	1,347,400	75

Source:

1 per cent. sample of claimants

Mr. Gordon Marsden: To ask the Secretary of State for Social Security what estimate his Department has made of the savings from means-testing incapacity benefit for the first two years of all new claims. [55937]

Mr. Timms: No such estimate has been made.

Mr. Swinney: To ask the Secretary of State for Social Security if he will make it his policy not to reduce benefits for those claiming incapacity benefit, who are deemed fit for work, who reject a job or training place; and if he will make a statement. [56248]

Mr. Timms: It is a condition for receiving Incapacity Benefit that a person is assessed as "incapable of work" either for their own occupation or under the All Work Test. People who do not satisfy the appropriate test may claim Jobseeker's Allowance if they satisfy the basic

labour market entitlement conditions for the receipt of that benefit; that a person must be available for, and actively seeking, work and have a Jobseeker's Agreement which remains in force.

Jobseekers who refuse an offer of employment or a place on a prescribed training scheme without good cause are liable to a benefit sanction. It is recognised that those with health problems can be at a disadvantage in the labour market, and people may therefore restrict their availability for work in any way providing the restrictions are reasonable in the light of their physical or mental condition. Any agreed restrictions on a jobseeker's availability must be taken into account when considering a question of good cause.

Child Care

Mr. Webb: To ask the Secretary of State for Social Security what estimate is provided by his Department's Family Resources Survey of the number of children aged 0 to 11 years whose childcare during the hours of parental employment is provided primarily by a grandparent or other non-parental family member. [56403]

Angela Eagle: The information is not available in the form requested. However, the 1996–97 Family Resources Survey, the latest available, shows that about 1.4 million of children aged under 11, where at least one parent is in regular paid work, receive regular childcare from a relative.

Note:

1. Figures are rounded to the nearest 100,000
2. The quoted figure may include some of those children who are regularly looked after by a non working parent.

Lone Parents

Mr. Burns: To ask the Secretary of State for Social Security how many lone parents who are in receipt of state benefits live in the West Chelmsford parliamentary constituency; how many are receiving help under the New Deal for Lone Parents; and how many have gone into employment since receiving that help. [56406]

Angela Eagle: The information requested is not held by parliamentary constituency.

Income Support statistics can be broken down by local authority district. These show that, as at February 1998, there were 1,000 lone parents receiving Income Support in the district covered by Chelmsford Borough Council.

Lone parents are free to visit whichever Jobcentre they find most convenient; it is likely that those living in the West Chelmsford constituency will use the Chelmsford Jobcentre. Between 6 April and 23 October 1998, when the New Deal for Lone Parents was available for those making a new or repeat claim for Income Support, 64 lone parents attended an initial interview at the Chelmsford Jobcentre. Of these, 54 decided to take advantage of the service offered under the New Deal for Lone Parents. 19 have since taken up employment.

From 26 October 1998, the New Deal for Lone Parents has been extended to all lone parents on Income Support, including those whose claim was established before April 1998.

Note:

Income Support Quarterly Statistical Inquiry; sample size 5 per cent.; figures rounded to the nearest 1,000.

Widow's Benefits

Mr. Swinney: To ask the Secretary of State for Social Security if he will estimate the cost to public funds of introducing means testing for widow's benefit, and extending the benefit to male claimants; if he will estimate the number of people who would lose benefit under such a system, indicating their average financial loss; and if he will make a statement. [56247]

Angela Eagle: The information requested is not available. Estimates would depend on the form of means testing to be applied.

Mr. Webb: To ask the Secretary of State for Social Security what evidence is provided by his Department's Family Resources Survey on the earnings levels of those receiving widow's benefits. [55663]

Angela Eagle: The Family Resources Survey (FRS) collects information on the earnings and other income of widows together with information on the income of other members of their households.

In 1996–97, the FRS sample included 140 widows who were in receipt of widows' benefits (widowed mother's allowance and widow's pension) and who also had earnings. The average weekly gross earnings of these widows at the time of interview was around £160 and the median gross earnings of this group was about £110 per week.

HOME DEPARTMENT

Workplace Drug Monitoring

Mr. Blizzard: To ask the Secretary of State for the Home Department what his policy is regarding drug and alcohol testing in the workplace. [56732]

Dr. Jack Cunningham: I have been asked to reply.

The Government have no proposals to require random testing in the workplace for alcohol or drugs. The Government encourage individual employers to act in accordance with guidance issued by the Health and Safety Executive: "Drug Misuse at Work", issued earlier this year, and "Don't Mix it" issued in 1996. I am placing copies in the Library of the House.

Raves

Mr. Cotter: To ask the Secretary of State for the Home Department how many people have died at rave events in the last five years; and how many of those deaths were as a direct result of attending the event. [56905]

Ms Hewitt: I have been asked to reply.

The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from Tim Holt to Mr. Brian Cotter, dated 28 October 1998:

As Director of the Office for National Statistics (ONS), I have been asked to reply to your recent Parliamentary question on deaths at rave events.

Data on the number of deaths that take place at specific venues, such as raves, are not routinely collected at death registration. However, in some cases the coroner may mention on the death certificate that a death occurred at a rave. The number of deaths where the term 'rave' was mentioned on the death certificate is given in the table below for 1994–97. Equivalent data for deaths which occurred prior to 1994 could only be supplied at disproportionate cost.

Number of deaths in England and Wales known to be associated with raves, 1994–97

Year	*Number of deaths*
1994	1
1995	1
1996	1
1997	2

Voting System Commission

Mr. Stuart Bell: To ask the Secretary of State for the Home Department when the report of the Independent Commission on the Voting System will be published. [57390]

Mr. Straw: The report of the Independent Commission on the Voting System will be published tomorrow at 11am. At that time, copies will be available in the Vote Office.

My right hon. Friend the President of the Council hopes to find time for an early debate in the House of Commons.

Party Conferences

Mr. Bercow: To ask the Secretary of State for the Home Department what plans he has to make public funds available to pay for the cost of producing and distributing photographic security passes for the 1998 Conservative, Labour and Liberal Democrat party conferences. [56781]

Mr. Straw: The Criminal Justice and Public Order Act 1994 provides for the Secretary of State, with the consent of the Treasury, to pay grants toward the security costs of qualifying political parties' annual Party Conferences.

We have yet to receive applications in respect of grants for security passes for the 1998 annual Party Conferences.

Police Budgets (Traffic Expenditure)

Mr. Laurence Robertson: To ask the Secretary of State for the Home Department what percentage of police budgets was spent on traffic *(a)* in Gloucestershire and *(b)* nationally in the last year for which figures are available. [56567]

Mr. Boateng: This information is not collected centrally. The allocation of resources to different functions is an operational matter for individual chief constables.

Traffic policing does not necessarily occur independently of other police duties, and the number of officers deployed to the traffic division is not indicative of the money spent on traffic policing. A large part of traffic officers' time is spent dealing with ordinary crime. It is an advantage that traffic officers deal with matters unrelated to traffic and that beat officers will also deal with traffic offences, thus contributing to more efficient ways of policing.

Speed Cameras

Mr. Laurence Robertson: To ask the Secretary of State for the Home Department what advice is issued to police forces about the siting of speed cameras, with particular reference to those which are not accompanied by warning signs; and what proportion of speed cameras do not have accompanying warning signs. [56553]

Mr. Boateng: Guidance on the siting of speed cameras has been issued to chief constables in the Home Office Circular: "The Use of Automatic Detection Devices for Road Traffic Law Enforcement (38/1992)" and to highway authorities in the then Department of Transport Circular: "Use of Technology for Traffic Enforcement: Guidance on Deployment (Roads 1/92)". Further guidance on camera signing has been issued to highway authorities in the then Department of Transport Circular: "Traffic Signal and Speed Camera Signing (Roads 1/95)". Copies of these documents have been placed in the Library.

Decisions on the siting of fixed speed cameras and the provision of warning signs are for local highway authorities to determine, in consultation with chief officers of police. The devices are deployed at accident hotspots or in areas where excessive speed is known to contribute to dangerous driving conditions. The provision of camera warning signs is recommended but is not mandatory. They are intended to identify the presence of cameras within a particular area rather than individual sites, as that would restrict the effect of the cameras to those sites.

Details of the proportion of speed cameras which are not accompanied by warning signs are not recorded centrally.

Electoral Registers

Mr. Laurence Robertson: To ask the Secretary of State for the Home Department what plans he has to restrict the sale of electoral registers; if he will consider allowing individuals to have their names removed from lists which are sold to certain organisations; and if he will make a statement. [56562]

Mr. George Howarth: The sale of the electoral register is one of the issues currently under review by the Working Party on Electoral Procedures, which I chair. We are considering a range of options, which include allowing individuals' details to be excluded from the register which is sold on for commercial use.

Criminal Information (Housing Associations)

Mr. Laurence Robertson: To ask the Secretary of State for the Home Department what plans he has to allow the police to provide the names of convicted criminals to housing associations. [56564]

Mr. Boateng: The police have a common law power to disclose information where necessary for the prevention or detection of crime, and would doubtless use this to disclose information to housing associations where they judged it to be necessary.

Section 115 of the Crime and Disorder Act 1998 clarified the position with regard to the disclosure of information and, following that, the Home Office and Data Protection Registrar have issued a joint Statement setting out how this should properly be done.

The guidance on information sharing, including the joint Statement, is included in the Home Office's "Guidance on Statutory Crime and Disorder Partnerships", a copy of which has been placed in the Library. It is also available via the Home Office website at http://www.homeoffice.gov.uk/cdact/actgch5.htm

Firearms Compensation

Mr. Laurence Robertson: To ask the Secretary of State for the Home Department when he expects to pay the compensation to former owners of firearms who surrendered them under Option C. [56558]

Mr. Boateng: Over 7,300 claimants have already received compensation totalling £9.3 million under Option C of the large calibre handgun compensation scheme and the voluntary surrender scheme for small calibre pistols. In addition around 750 offers of payment totalling £770,000 are awaiting acceptance by the claimant.

Processing these Option C claims, especially those from firearms dealers, has been difficult, mainly because the evidence of value provided in support of the claims has often proved on examination to be insufficient, resulting in the need for further inquiries, while there has been a need to identify and eliminate a large number of ineligible items surrendered for compensation under the heading of ancillary equipment. This has tended to slow the rate of progress on Option C claims, but it has also enabled Firearms Compensation Section (FCS) staff to build up their expertise in resolving the difficulties presented by these claims.

We are now using this core of experienced staff as the basis for expanding the number of examining teams to 17, which, when fully staffed, should increase the overall staff numbers in the FCS to 115, more than double the original complement. The first tranche of 20 new staff took up post on 26 October 1988, and the expansion will continue as rapidly as possible, subject to the need to maintain standards of scrutiny.

This major expansion of the Section should help to increase the processing rate substantially and reduce waiting time. It could not have been carried out any sooner because of the need to ensure a consistency of approach in the examination of the Option C claims, both in the interests of claimants and to ensure that payments are properly made in accordance with the terms of the compensation scheme.

This action is in addition to the measures the then Minister of State, my hon. Friend the Member for Cardiff, South and Penarth (Mr. Michael), outlined in his reply to a written question from the hon. Member for Richmond Park (Dr. Tonge), on 30 July 1998, *Official Report*, column *393*. The target is still to complete most Option C payments by the end of the year, and the remaining payments as soon as possible thereafter. We will continue to do all we can to shorten the timescale for completion of the work if at all possible.

Progress is also being made with the Option A and B claims, submitted during February under the statutory surrender scheme for small calibre pistols. Over 5,700 claims have been paid, over half the total received, and the remainder should be completed by the end of the year. Until the Option C claims under this scheme have been examined in detail, it is not possible to give a firm date for their completion. Work on these claims will begin as soon as the overall work position permits.

I can understand the impatience felt by compensation claimants who are anxious to receive their payments as quickly as possible. However, there is also a need to ensure that all claims are properly scrutinised to guard against fraud and ensure that payments are correctly made. The Government also wish to bring this matter to a conclusion as quickly as possible and we have taken the steps I have outlined to help achieve this.

Mr. Clappison: To ask the Secretary of State for the Home Department what is his most recent estimate of *(a)* the administrative costs and *(b)* the cost of compensation payments arising from the ban on the ownership of handguns. [56174]

Mr. Boateng: Our current estimate of the cost of the compensation schemes for large-calibre handguns and small-calibre pistols remains at around £128 million, of which about £8 million is in respect of police and Home Office administration costs. The compensation figure is subject to revision as further claims under Option C of the schemes are examined.

Asylum Seekers

Mr. Laurence Robertson: To ask the Secretary of State for the Home Department what is his policy towards those from Kosovo seeking asylum. [56563]

Mr. Mike O'Brien: All claims for asylum from citizens of the Federal Republic of Yugoslavia, including those from the province of Kosovo, are considered on their merits within the terms of the 1951 United Nations Convention relating to the Status of Refugees and its 1967 Protocol. Consideration takes into account the latest information and advice on the country situation from a range of sources, including the United Nations High Commissioner for Refugees and the Foreign and Commonwealth Office. Where an application for asylum is refused, consideration is given to granting leave to remain exceptionally outside the Immigration Rules on humanitarian grounds. We have not recently returned to the Federal Republic of Yugoslavia any ethnic Albanians who have been refused asylum here.

Applications and decisions for the period January to September 1998 inclusive are set out in the table. The statistical return does not differentiate between citizens of the Federal Republic of Yugoslavia by ethnicity.

Asylum applications[1] received in the United Kingdom, excluding dependants, and decisions on application, 1998 by month, nationals of Federal Republic of Yugoslavia

	Applications			Decisions			
	Port	In-country	Total	Grants of asylum	Exceptional leave to enter/remain	Refusal[2,3]	Total
January	185	90	270	120	*	*	125
February	175	100	270	95	*	10	105
March	185	95	280	100	15	*	115
April	240	145	385	100	20	5	125
May	180	135	315	120	10	—	130
June	290	390	680	110	5	5	120
July	225	620	845	50	20	10	80
August	335	575	905	50	0	10	60
September	300	570	870	40	0	30	70
Total	2,110	2,715	4,825	790	75	70	930

[1] Figures rounded to nearest 5, with * = 1 or 2
[2] Includes Non-compliance refusals (Paragraph 340 of Immigration Rules. For failure to provide evidence to support the asylum claim within a reasonable period, including failure to respond to invitation to interview)
[3] Includes Third Country decisions (Refused on the grounds that the applicant had arrived from a safe third country)

Mr. Clappison: To ask the Secretary of State for the Home Department how many asylum cases were awaiting decision *(a)* on 1 May 1997 and *(b)* at the latest date for which figures are available. [56166]

Mr. Mike O'Brien: As at 30 April 1997, there were 54,020 applications for asylum in the United Kingdom, excluding dependants, awaiting an initial decision. The figure fell to 50,950 in March 1998. As at the end of September 1998, it stood at 57,545.

This partly reflects increases in asylum applications from the Federal Republic of Yugoslavia, Sri Lanka, Afghanistan and the Slovak Republic.

Illegal Entry

Mr. Clappison: To ask the Secretary of State for the Home Department (1) how many incidents of clandestine illegal entry have been reported to his Department *(a)* in each of the last five years and *(b)* in the most recent period for which figures are available; [56191]

(2) how many illegal entrants have been removed from the United Kingdom in *(a)* each of the last five years and *(b)* the most recent period for which figures are available. [56189]

Mr. Mike O'Brien: Information on illegal entrants removed from the United Kingdom between 1 January 1993 and 30 June 1998 are given in Table 1.

In addition to clandestine illegal entrants detected directly by the Immigration Service, the Immigration and Nationality Directorate also receives notification of "self-confessed" clandestine entry and referrals of instances of possible clandestine entry and often involving groups of people, from other sources, such as the police. Regrettably, there is no central record of the numbers of such referrals received. The available information, which relates to the numbers of clandestine entrants on whom notice of illegal entry was served between 1 January 1994 and 30 June 1998, is given in Table 2.

Table 1. Persons removed[1] from the United Kingdom as a result of illegal entry action[2], 1993–98[3,4,5]

Year	Persons leaving the United Kingdom
1993	3,790
1994	3,280
1995	3,160
1996	3,400
1997[4]	4,490
1998[4,5]	2,300

[1] Includes persons departing 'voluntarily' after illegal entry action had been initiated against them
[2] Covers persons served with papers and dealt with as illegal entrants as defined by section 33(1) of the Immigration Act 1971
[3] Data are rounded
[4] 1997 and 1998 data are provisional
[5] 1998 data are for 1 January to 30 June only

Table 2. Persons served with papers as clandestine illegal entrants[1], 1994–98[2]

Year	Persons served with illegal entry papers[1]
1994	1,810
1995	3,350
1996	4,110
1997[3]	4,030
1998[3,4]	3,530

[1] Illegal entrants are defined by section 33(1) of the Immigration Act 1971. These data cover clandestine illegal entrants only
[2] Data are rounded
[3] 1997 and 1998 data are provisional
[4] 1998 data are for 1 January to 30 June only

Mr. Clappison: To ask the Secretary of State for the Home Department, pursuant to the letter of 24 August 1998 from the Parliamentary Under-Secretary of State, to the hon. Member for North Warwickshire (Mr. O'Brien), in how many cases of clandestine illegal entry the individuals concerned have been referred to a place where their circumstances can be assessed and any applications processed according to the most recent figures which are available. [56173]

Mr. Mike O'Brien: As I explained in my letter of 24 August to the hon. Member, it is the normal practice of the Immigration Service to respond to incidents where immigration offenders are detected, although there will be

occasions when immigration staff are already deployed dealing with other incidents and we are unable to respond immediately.

The Immigration Service is consulting the police forces most affected to ensure that incidents are dealt with properly. In areas where it is necessary, we hope to have a standard agreement in place in the next few months between the police and the Immigration Service which will provide a clear mechanism for dealing with clandestine entrants.

Local immigration offices have not, hitherto, been required to keep records of the number of requests to attend to which they have been unable to respond and this information has not been collected centrally. They have now been asked to collect and submit this information.

Mr. Clappison: To ask the Secretary of State for the Home Department what arrangements are in place for the police to deal with cases of clandestine illegal entry where immigration officers are unable to attend. [56190]

Mr. Boateng: The Immigration Service endeavours to respond to all incidents involving clandestine entrants. As a result of the considerable rise in clandestine entry this year, there are occasions where resources are stretched so that the Immigration Service is unable to respond immediately. On such occasions, the Immigration Service tries to ensure that the individuals concerned are referred to a place where their circumstances can be assessed and any applications processed. The Immigration Service is consulting the police forces most affected to ensure that incidents are dealt with properly. In areas where it is necessary, we hope to have a standard agreement in place shortly between the police and the Immigration Service to provide a clear mechanism for dealing with clandestine entrants.

Targeted Policing

Mr. Clappison: To ask the Secretary of State for the Home Department (1) when he expects targeted policing of areas to be implemented in respect of *(a)* the initial 20 areas and *(b)* other areas; [56180]

(2) what criteria will be used to select areas to be made subject to targeted policing. [56182]

Mr. Boateng: We are currently considering specific criteria on which the money to be made available for the projects forming the targeted policing element of the Crime Reduction Programme will be allocated. We will certainly be adopting an evidence-based approach to targeted action and expecting careful evaluation of the outcome of each project which is supported.

Mr. Clappison: To ask the Secretary of State for the Home Department (1) how much additional funding is to be made available to police authorities in areas containing targeted policing initiatives; [56178]

(2) what estimate he has made of the number of additional police officers required to implement targeted policing of areas. [56177]

Mr. Boateng: The value of targeting policing effort at identified problems as part of a strategy to reduce crime and disorder is that it enables chief officers to decide how to deploy their resources most effectively to that end. A pre-requisite is that the strategy should be evidence-based, that is based on an analysis of the local crime and associated problems and that policing tactics are adopted in the light of the analysis. The crime and disorder audits required by the Crime and Disorder Act 1998 support this approach. Equally, our approach is output-driven and we will expect careful evaluation to demonstrate the extent to which crime is reduced as a result of any strategy and how that fits with the locally agreed targets for crime reduction. Experience around the country shows that targeted policing does not require additional police officers or other resources to be successful. However, to help forces develop this approach to crime reduction, we are making over £30 million available over the next three years for targeted policing projects as part of the crime reduction strategy.

This funding is in addition to the extra £1.24 billion which will be available to police authorities in England and Wales over the next three years under the Government's spending plans announced in the summer. This settlement, along with savings from the 2 per cent. year on year efficiency improvements which police forces will be asked to achieve, will help to ensure that more resources are focused on the front line against crime.

Senator Pinochet

Mr. Wilkinson: To ask the Secretary of State for the Home Department what consultation took place between the Metropolitan Police and his Department prior to the arrest of Senator Pinochet of Chile; and when. [57029]

Mr. Straw: Ministers and civil servants in the Home Office were kept informed by the Metropolitan Police of events leading up to Senator Pinochet's arrest on 16 October.

The decision to issue a provisional warrant for the arrest of Senator Pinochet was taken by the Bow Street Magistrate under section 8(1)(b) of the Extradition Act 1989 in response to a request from an extradition partner.

Trans-sexuals

Mr. Pike: To ask the Secretary of State for the Home Department what steps his Department has taken to co-ordinate a review of the issues relating to the legal status of trans-sexual persons; and if he will make a statement. [56460]

Mr. Mike O'Brien: Matters of concern to trans-sexuals are the responsibility of a number of Government Departments. The Government are considering how best to take forward the issues raised by the recent judgment by the European Court of Human Rights in the case of two British trans-sexuals, Horsham and Sheffield.

Public Appointments

Mr. Vaz: To ask the Secretary of State for the Home Department if he will publish the names of those people he has appointed to public bodies since 1 May 1997, indicating the positions to which they have been appointed and whether they receive remuneration. [56791]

Mr. Straw: I will write to my hon. Friend with the information as soon as possible. A copy will be placed in the Library.

TREASURY

Gaming and Betting Duty

Mr. Tyrie: To ask the Chancellor of the Exchequer what is the Government's estimate of the gaming and betting duty forgone as a result of betting over the Internet. [57229]

Dawn Primarolo: No estimate of the gaming and betting duty forgone as a result of betting over the Internet is available.

Tourism (VAT)

Mr. Laurence Robertson: To ask the Chancellor of the Exchequer what plans he has to reduce the level of VAT for the tourism industry; and if he will make a statement regarding his policy on the taxation of tourism. [56552]

Dawn Primarolo: We have no plans for a reduced rate of VAT for tourism. Customs are, however, carefully studying a report by the British Tourist Authority on the scope for a reduced rate in this area.

Abortions

Mr. Blunt: To ask the Chancellor of the Exchequer (1) how many abortions were performed in England and Wales on women resident in Northern Ireland by weeks gestation in the last five years for which figures are available; [56936]

(2) what is the total number of abortions carried out on residents of Northern Ireland in England and Wales since 1970; [56938]

(3) how many abortions were performed in England and Wales for each of the statutory grounds of the Abortion Act 1967 as amended on women resident in Northern Ireland in each of the last five years for which figures are available. [56937]

Ms Hewitt: The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from Tim Holt to Mr. Crispin Blunt, dated 28 October 1998:

As Director of the Office for National Statistics (ONS), I have been asked to reply to your Parliamentary questions on abortions.

The information on how many abortions were performed in England and Wales for each of the statutory grounds on women resident in Northern Ireland requested is shown in the following table.

Legal abortions performed in England and Wales on residents of Northern Ireland by statutory grounds, 1993–97

Statutory grounds	1993	1994	1995	1996	1997
All grounds	1,629	1,678	1,548	1,573	1,572
A (alone or with B, C or D)	—	—	—	—	—
B (alone)	1	1	—	1	—
B (with C or D)	—	1	—	—	—
C (alone)	1,574	1,581	1,488	1,538	1,544
D (alone, or with C)	53	94	59	34	28
E (alone)	—	—	1	—	—
E (with A, B, C or D)	1	1	—	—	—
F or G	—	—	—	—	—

Source:
Office for National Statistics

I have enclosed a copy of "Conditions of the Act and statutory grounds" (for abortion) from the Abortion Annual Reference Volume series AB No 23 to explain the codes used.

Information on abortions by weeks gestation is shown in the following table.

Legal abortions performed in England and Wales on residents of Northern Ireland by gestation (weeks), 1993–97

Gestation (weeks)	1993	1994	1995	1996	1997
Total	1,629	1,678	1,548	1,573	1,572
Under 9	537	575	521	486	460
9–12	784	797	744	800	810
13–19	280	280	260	252	266
20+	28	26	23	35	36

Source:
Office for National Statistics

Information on the total number of abortions carried out on residents of Northern Ireland in England and Wales is shown in the following table.

Terminations to residents of Northern Ireland performed in England and Wales, 1970–1997

Year	Number of abortions
1970	199
1971	648
1972	775
1973	1,007
1974	1,092
1975	1,115
1976	1,142
1977	1,244
1978	1,311
1979	1,425
1980	1,565
1981	1,441
1982	1,510
1983	1,460
1984	1,530
1985	1,637
1986	1,724
1987	1,746
1988	1,815
1989	1,816
1990	1,855
1991	1,775
1992	1,794
1993	1,629
1994	1,678
1995	1,548
1996	1,573
1997	1,572

Source:
Registrar General's Statistical Review 1970–1973
Abortion Statistics Series AB nos 1–23, 1974–1996
ONS Monitor AB 98/3, 1997

All figures for 1997 are provisional, and relate to notifications received by 19 May 1998. They are published in ONS Monitor AB 98/3 Legal abortions in England and Wales 1997, but are liable to change very slightly when final annual 1997 data are published in the Abortions Annual Reference Volume series AB No 24 in December 1998.

Dr. Vis: To ask the Chancellor of the Exchequer how many abortions were carried out on Barnet residents in 1997; how many of these were carried out in NHS hospitals; how many were paid for by the NHS; how many were carried out by agency arrangement and paid for by the NHS; and how many were carried out in the private sector *(a)* inside and *(b)* outside Barnet. [56904]

Ms Hewitt: The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from Tim Holt to Dr. Rudi Vis, dated 28 October 1998:

As Director of the Office for National Statistics (ONS), I have been asked to reply to your Parliamentary question on abortions in Barnet.

Provisional results indicate that there were 1,674 abortions performed on residents of Barnet Health Authority (HA) in 1997. Of these, 993 abortions were performed in NHS hospitals: 861 were paid for by the NHS and 132 were carried out by agency arrangement and paid for by the NHS.

Of the 681 abortions performed on non-NHS premises, 5 were terminated in Barnet HA and 676 were terminated outside Barnet HA.

Figures for 1997 are provisional, and relate to notifications received by 19 May 1998. They are published in ONS Monitor AB 98/3 Legal abortions in England and Wales 1997, but are liable to change very slightly when final annual 1997 data are published in the Abortions Annual Reference Volume series AB No 24 in December 1998.

Drug Deaths

Mr. Flynn: To ask the Chancellor of the Exchequer how many deaths in each of the last three years have been attributed to the use of *(a)* co-proxamol, *(b)* paracetamol and *(c)* paracetamol in combination with drugs other than dextropropoxphene. [56545]

Ms Hewitt: The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from Tim Holt to Mr. Paul Flynn, dated 28 October 1998:

As Director of the Office for National Statistics (ONS), I have been asked to reply to your parliamentary question on how many deaths in each of the last three years have been attributed to the use of (a) co-proxamol, (b) paracetamol and (c) paracetamol in combination with drugs other than dextropropoxyphene. The information requested is shown in the table below.

Deaths attributable to co-proxamol and paracetamol in England and Wales, 1995–97

	1995	*1996*	*1997*
Co-proxamol	171	176	188
Paracetamol	324	279	335
Paracetamol with drugs other than dextropropoxyphene	75	56	62

Often a number of drugs are listed on the death certificate. If, for example, both paracetamol and co-proxamol are mentioned, the death will occur twice in the table, once under paracetamol and once under co-proxamol.

The figures for deaths where paracetamol or co-proxamol were mentioned on the death certificate include deaths attributed to these substances in combination with other drugs. Where two or more substances are listed together, the contribution, if any, of each to the death is unknown. Even where one substance is listed alone there may well be other factors with an important bearing on the death.

Moreover, coroners do not always record all specific drugs associated with a death on the death certificate. Therefore, with the information available from death registration, it is only possible to give an approximation of the number of deaths associated with or directly due to these substances.

CABINET OFFICE

Green and White Papers

Mr. Levitt: To ask the Minister for the Cabinet Office if he will make more readily available to the public a full list of current green and white papers together with the relevant timescales for consultation. [56161]

Mr. Kilfoyle: Most green and white papers are published as Command Papers, full details of which are included in the Daily List of Publications issued by The Stationery Office Limited and which is available in printed form and via their Internet Web Site at the following address: (http://www.national-publishing.co.uk/d_listfr.html)

A complete list also appears on the UK Official Publications Bibliographic database (http://www.ukop/co.uk) which is published jointly by The Stationery Office Limited and Chadwyck-Healey Ltd.

Following publication of the Service First Unit's guidance *How to conduct written consultation exercises*, all consultation documents should also now be published in full on the Internet with information provided as to where responses should be sent and the deadline for these to be received. Officials from my Department are currently considering the practicality of creating a single entry point on the Internet which would provide an index and links to all Command Papers wherever they might appear on the Internet.

Workplace Drug Monitoring

Mr. Flynn: To ask the Minister for the Cabinet Office what proposals he has for random testing in the workplace for *(a)* alcohol and *(b)* drugs; and in respect of which workplaces. [56498]

Dr. Jack Cunningham: The Government have no proposals to require random testing in the workplace for alcohol or drugs. The Government encourage individual employers to act in accordance with guidance issued by the Health and Safety Executive: "Drug Misuse at Work", issued earlier this year and "Don't Mix it" issued in 1996. I am placing copies in the library of the House.

WALES

Manufacturing Industry

Mr. Barry Jones: To ask the Secretary of State for Wales what new measures he proposes to assist manufacturing industry; and if he will make a statement. [56490]

Mr. Hain: The Government inherited an economy displaying pressures which have led to boom-bust instability in the past. As a result, the economy needed to slow to a more sustainable rate. The Government recognise the concerns of manufacturers and exporters about the pound. They are pursuing policies to deliver long-term economic stability, the essential platform for encouraging high levels of growth and employment in the manufacturing industry, as in the whole economy. In Wales, our New Economic Agenda, Pathway to Prosperity sets out a programme for manufacturing industry in Wales to achieve world class standards.

Welsh Highland Railway

Mr. Paice: To ask the Secretary of State for Wales what advice he has received from the Countryside Council for Wales with regard to the proposed rebuilding of the Welsh Highland Railway through Snowdonia, with particular reference to *(a)* the impact on the site of special scientific interest at the Aberglaslyn Pass and *(b)* the visual impact of signs required by the Railway Inspectorate. [56927]

Mr. Jon Owen Jones: The decision in this case will be taken by my right hon. Friend the Secretary of State for the Environment, Transport and the Regions who has received a representation from the Countryside Council for Wales on the proposed Welsh Highland Railway Order. The CCW did not object to the project in principle but raised a number of issues for consideration by the Secretary of State, including a recommendation that no planting or seeding should be carried out on the exposures at the Aberglaslyn SSSI. They did not comment on the visual impact of signs but other parties raised this issue and it was considered by the Inspector at the public local inquiry into the scheme.

I understand that my right hon. Friend has received the Inspector's Report and is considering it.

Salmon

Mr. William Ross: To ask the Secretary of State for Wales if he will list the number and total weight of *(a)* salmon and *(b)* grilse taken by (i) anglers and (ii) commercial nets in (1) drift and (2) estuary nets for each of the last five years and for 1985, 1980 and 1975 or as much of such information as is readily available; and if he will provide the same information for fish classed (x) 1 sea winter, (y) 2 sea winter and (z) 3 sea winter fish. [55568]

Mr. Jon Owen Jones: Catch statistics are recorded on an England and Wales basis, and the available information is given in the following table. All figures relate to salmon and grilse although the estimated proportion of grilse in rod catches for the period 1993–97 has also been included. It is not possible to provide any further reliable data on catches broken down by age-class.

Declared catches of salmon (including grilse) for the years 1975, 1980, 1985, 1993–97 in England and Wales

	Rods		Drift nets		Other nets[1]		All nets	
	Numbers caught	Total weight caught (kg)	Numbers caught	Total weight caught (kg)	Numbers caught	Total weight caught (kg)	Numbers caught	Total weight caught (kg)
1975	24,300	n/a	n/a	n/a	n/a	n/a	88,762	340,091
1980	21,145	n/a	n/a	n/a	n/a	n/a	69,073	266,850
1985	19,601	81,788	n/a	n/a	n/a	n/a	75,932	279,318
1993	14,059[2] * (78%)[3] *	51,091	43,561	157,667	13,005	44,644	56,566	202,311
1994	24,891 (75%)[3] *	94,022	46,674	174,189	19,783	67,728	66,457	241,917
1995	16,006 (70%)[3] *	61,009	51,435	187,597	16,224	58,139	67,659	245,736
1996	17,444 (63%)[3] *	71,469	18,801	73,920	13,879	51,788	32,680	125,708
1997[4]	13,047 (73%)[3] *	41,996	21,866	75,057	9,593	32,177	31,459	107,234

[1] All nets other than drift nets, including fixed engines
[2] Likely to represent a minimum figure due to low rate of catch returns by anglers
[3] Estimated proportion of grilse in rod catch for the years 1993–97
[4] Provisional figures
n/a = not available

TRADE AND INDUSTRY

Consumer Marketing

Mr. Kidney: To ask the Secretary of State for Trade and Industry if he will introduce controls over consumer marketing to ensure that information given or implied is not misleading or easily misconstrued. [56072]

Dr. Howells: There are already many controls to ensure that the marketing activities of companies are not misleading. Under the Trade Descriptions Act 1968 it is a criminal offence to apply, in the course of a trade or business, false or misleading statements to goods and to knowingly or recklessly do so in respect of services. The self-regulatory system of advertising and sales promotion control, backed up by the possibility of action by the Director General of Fair Trading under the Control of Misleading Advertisements Regulations 1988, is also designed to prevent false or misleading information in advertisements and other promotional material. In addition there are specific statutes which address misleading claims in sectors such as medicines, food and drink and financial services. The Government continue to monitor the performance of all such measures and, where necessary and proportionate, would not hesitate to propose new ones.

Sub-post Offices

Mr. Harvey: To ask the Secretary of State for Trade and Industry how many sub-post offices have *(a)* opened and *(b)* closed since 1979 by county, and if he will list them. [55726]

Mr. Ian McCartney: I understand from the Post Office that, from the end of March 1993 to date, 583 sub-post offices have opened and 1,614 have closed. I have asked for a more detailed breakdown of these data and will place a copy in the Library of the House as soon as possible.

Mr. Harvey: To ask the Secretary of State for Trade and Industry if redundancy packages of sub-postmasters/mistresses who have lost their jobs following closure of their sub-post offices take into consideration *(a)* loss of future earnings and *(b)* capital lost from their business as a result of closure. [55771]

Mr. Ian McCartney: Sub-postmasters are not employees of the Post Office, but are independent self-employed agents operating under a contract for services with Post Office Counters Ltd, I understand from the Post Office that this contract may be terminated by either party upon three months notice with no financial penalty on either side. Consequently, sub-postmasters do not receive redundancy payments in the event that their post office closes, or relocates to alternative premises.

I also understand that a Discretionary Payment Fund exists from which payments may be made to sub-postmasters in these circumstances provided that all eligibility criteria for consideration for such a payment are met. Each application is considered on its merits. This fund is jointly managed by Post Office Counters Ltd. and the National Federation of Sub-Postmasters. It is not part of the contract for services between the sub-postmaster and Post Office Counters Ltd.

Mr. Harvey: To ask the Secretary of State for Trade and Industry how many complaints he has received from sub-postmasters/mistresses over *(a)* the manner in which their sub-post offices were closed down and *(b)* the post office appeal procedure; and what action was taken to deal with such complaints. [55772]

Mr. Ian McCartney: My Department occasionally receives representations about the termination of a sub-postmaster's contract with Post Office Counters Ltd. and the associated appeal procedure, but has no locus to intervene in such contractual matters.

Ministerial Visits (Media Offices)

Mr. Hawkins: To ask the Secretary of State for Trade and Industry if he will list the official visits he has paid to the company offices of *(a)* newspapers and *(b)* other media organisations during the summer adjournment, indicating the subjects discussed on each occasion. [56662]

Mr. Mandelson *[holding answer 26 October 1998]:* During the Summer adjournment I made the following official visits to the company offices of newspapers and other media organisations:

Date	*Organisation*	
4 September	The Mail Offices, Hartlepool	Constituency business
23 September	YCTV, Ladbrooke Grove	Personal profile interview
6 October	This Morning Show, South Bank Studios, SE1	The Millennium Dome
12 October	Forbes Magazine, New York	General current affairs
18 October	Breakfast with Frost, BBC White City	General current affairs

Post Office

Mrs. Lait: To ask the Secretary of State for Trade and Industry what consideration he has given to decreasing the external financing limit to allow the Post Office to invest in new projects. [56658]

Mr. Ian McCartney: Any changes to the financial framework within which the Post Office operates, including the external financing limit, will be announced in the context of the Government's decisions on the review of the Post Office.

Phillips

Mrs. Lait: To ask the Secretary of State for Trade and Industry what discussions his Department has held with Phillips concerning the company's future in the United Kingdom. [56422]

Mr. Mandelson: DTI ministers and officials are in regular contact with Phillips and are currently in discussions with the company regarding a potential inward investment at its television tube plant in Durham.

Export Credits

Mr. Lock: To ask the Secretary of State for Trade and Industry what was the total value of export credits which have been issued by the Export Credits Guarantee Department for defence and security equipment in each of the last three financial years. [56899]

Mr. Mandelson: The total value of guarantees issued by ECGD for defence-related business in each of the last three years was as follows:

£ million

Year	*Value of guarantees*
1995–96	1,028
1996–97	404
1997–98	748

An analysis of this business by market has been placed in the Library of the House.

Millennium Experience

Mr. Mitchell: To ask the Secretary of State for Trade and Industry if he will publish an account of the suggestions, instructions and advice which he has given to the New Millennium Experience Company about the Millennium Experience. [55684]

Mr. Mandelson: As Shareholder of the New Millennium Experience Company (NMEC) I have issued the Company with a Financial Memorandum and Accounts Direction, copies of which I laid in the Libraries of the House alongside the NMEC's Annual Report and Accounts on 30 July 1998, *Official Report*, column *564*. In addition my role is to ensure that the Company meet the Prime Minister's five commitments on cost, content, national impact, legacy, and management.

The New Millennium Experience Coordinating Group, which I chair, brings together representatives of the NMEC, the Millennium Commission and the Department for Culture, Media and Sport to discuss progress in

meeting these commitments. The group is not, however, an executive body, and I have no executive role as far as the NMEC is concerned.

Mr. Mitchell: To ask the Secretary of State for Trade and Industry if he will publish an account of all the proposals received by himself or the New Millennium Experience Company for the content of the Millennium Experience, describing the *(a)* scrutiny and *(b)* response which each proposal received. [55685]

Mr. Mandelson: Officials at the Department for Culture, Media and Sport, who support me in my role as shareholder of the New Millennium Experience Company (NMEC) pass every proposal I receive for ideas for the content of Dome content to the NMEC. The NMEC has received over 5,000 unsolicited proposals about the content of the Dome, related events and works of art. All such proposals are acknowledged on receipt. All content proposals received to date have been considered by a panel of NMEC's Production team who have responsibility for the Dome's content. The criteria used to assess the proposals include deliverability, compatibility with the various content design briefs and with the overall theme of the Millennium Experience (Time to Make a Difference), cost and attractiveness to visitors. Whilst imaginative and unusual, many of the proposals fail against these criteria. Those considered to be of merit are fed into the NMEC's established creative processes for content development. However, as the project moves through its implementation phases the scope for unsolicited proposals being taken into account in the development of the content reduces.

The costs of publishing details of the 5,000 proposals received, assuming the authors would agree to publication, are not considered to represent value for money.

Mr. Mitchell: To ask the Secretary of State for Trade and Industry if he will list the persons or organisations who will be responsible for providing the information and ideas to be conveyed in each zone of the Millennium Experience. [55686]

Mr. Mandelson: The New Millennium Experience Company's (NMEC) strategy is to ensure that as broad a range of advice and opinion as possible is taken on board in the development of the zone content. The Company established, in December 1997, a Strategic Creative Review Group—"The Litmus Group"—which is particularly concerned with the information and ideas conveyed in each zone, and the means by which they are presented. The Litmus Group meets regularly with the Company, the exhibit zone designers and the sponsors. The Group's membership and terms of reference are set out in the NMEC's Annual Report and Financial Statements 1997/98 which were published and laid in the House on 30 July 1998, *Official Report*, column *564*.

In addition, on 21 October the Company announced the first group of "Godparent" advisers to the exhibit zones. All are experts in their fields with experience of communicating ideas in medicine, entertainment, science, the arts and the environment to wide audiences. They are Lord Puttnam (Work and Learn zones); Floella Benjamin (Local zone); Sir Neil Cossons (Mobility zone); Professor Richard Gregory CBE (Mind zone); Sir Michael Peckham and Professor Catherine Peckham (Body zone); the Hon. Sara Morrison (National zone); Professor Christopher Frayling (Spirit zone); John Sorrell CBE (National Identity zone); Michael Jolly (Play zone); and Simon Jenkins (Communicate zone). The Company have also set up twelve Youth Councils around the country, each comprising twenty 10–16 year olds, and a UK Youth Council which includes representatives from the twelve Councils and from the major national youth agencies. The Councils act as advocates, researchers and reporters on Millennium Experience plans.

Competitiveness White Paper

Mr. Redwood: To ask the Secretary of State for Trade and Industry if the White Paper on Competitiveness will include details of the Concordat on Inward Investment. [56368]

Mr. Mandelson *[holding answer 26 October 1998]:* It is not my intention to include the details requested in the forthcoming Competitiveness White paper.

Public Appointments

Mr. Vaz: To ask the Secretary of State for Trade and Industry if he will publish the names of those people he has appointed to public bodies since 1 May 1997, indicating the positions to which they have been appointed and whether they receive remuneration. [56818]

Mr. Mandelson: The Department publishes the names of all those appointed to its Nationalised Industries and its Executive and Advisory non-departmental public bodies on the Public Appointments Unit Website (www.open.gov.uk/pau/paupoint.htm). This information was last updated as of 30 September 1998 and includes the date of appointment and remuneration. I am placing a copy of the full list in the Libraries of both Houses.

Company Fraud

Mr. Sheerman: To ask the Secretary of State for Trade and Industry what plans he has to introduce new measures to regulate companies which *(a)* trade fraudulently and *(b)* change their name. [56074]

Mr. Ian McCartney: I have no new plans at present. My Department has and will continue to take enforcement action against directors who commit criminal offences or who are guilty of unfit conduct, or to refer matters to the appropriate authorities. For example, the Insolvency Service make such directors a target of disqualification action. More widely, the Department's current review of company law is examining how company law can be modernised to give an effective legal framework which will promote business competitiveness without compromising the essential protection for those involved in business transactions.

Cigarette Lighters

Mr. Miller: To ask the Secretary of State for Trade and Industry how many seizures of substandard cigarette lighters have been made by trading standards officers in each year since 1995. [56073]

Dr. Howells: Local authority trading standards departments notified my Department of six occasions in 1997 when consignments of unsafe cigarette lighters were seized. No seizures were reported for 1996. In addition, from 1996 to date, two suspensions and three prosecution actions have been reported. These actions were taken under the General Product Safety Regulations 1994. Records for 1995 are not readily available.

HEALTH

Paramedics

Miss McIntosh: To ask the Secretary of State for Health what progress his Department has made towards a national register for paramedics. [55778]

Mr. Milburn: The Council for Professions Supplementary to Medicine considers petitions for state registration. I understand that a petition in respect of paramedics was submitted to the Council on 12 October 1998. The petition has not yet been submitted to the Government.

Breast Cancer

Dr. Gibson: To ask the Secretary of State for Health what research his Department has evaluated into *(a)* comparative rates of screening detection and *(b)* treatment regimes for breast cancer in (i) France, (ii) Germany, (iii) the USA and (iv) the United Kingdom. [56040]

Ms Jowell: It is not possible to compare the National Health Service breast cancer screening programme with services in France, Germany and the United States of America as they do not have comprehensive population breast screening programmes.

The Department has not itself commissioned any international comparisons of breast cancer treatment regimes. Treatment regimes will depend on protocols drawn up and agreed based on professional guidelines, research evidence, local organisation of health services and the needs and characteristics of the local population. However, the Department published in 1996 "Guidance on Improving Outcomes in Breast Cancer", the first in a series of evidence-based guidance on specific cancers. This included a systematic review of international research literature and evidence of effectiveness of breast cancer treatments. The guidance is being used to improve the provision of breast cancer screening services. Copies are available in the Library.

Children's Diet

Mr. Kidney: To ask the Secretary of State for Health what measures he plans to take to raise the nutritional content of the diet of children. [56070]

Ms Jowell: We are committed to improving the health of our children and our recent Green Paper *Our Healthier Nation* contains proposals for activities to contribute to "The Healthy Schools Initiative". Our forthcoming White Paper will expand these proposals. Measures already announced to improve children's diets include the Government's *Consultation Document on Nutritional Standards for School Lunches* and the forthcoming guidance on *Food and Nutrition in Primary Teacher Training*.

Pain Killers

Mr. Flynn: To ask the Secretary of State for Health what was the total cost to the NHS in each of the last three years of co-proxamol prescriptions; and what would the proportionate saving if co-proxamol was replaced by paracetamol alone prescriptions. [56544]

Ms Jowell: The net ingredient cost of co-proxamol prescription items dispensed in the community in England 1995 to 1997 is given in the table.

Co-proxamol prescription items dispensed in the community England

Year	*Net ingredient cost £ million*
1995	14.4
1996	13.8
1997	14.1

Notes:
1. The data are from the prescription cost analysis system and cover all prescriptions dispensed by community pharmacists and appliance contractors, dispensing doctors, and prescriptions submitted by prescribing doctors for items personally administered in England.
2. The net ingredient cost refers to the cost of the drug before discounts and does not include any dispensing costs or fees. It does not include any adjustment for income obtained where a prescription charge is paid at the time the prescription is dispensed or where the patient has purchased a pre-payment certificate.
3. Information about prescriptions dispensed in hospitals is not available centrally.

It is estimated that about £9 million would have been saved in each of the last 3 years if all co-proxamol items had been replaced by appropriate paracetamol items. These estimates are based on the average price per tablet/milli-litre over each year. They make no allowance for the differences in the size of tablets of the two products ie. the estimates assume that a 500 milligramme paracetamol tablet replaces a 325 milligramme co-proxamol tablet.

Children's Homes

Mr. Laurence Robertson: To ask the Secretary of State for Health what plans he has to regulate children's homes which accommodate fewer than four children; and if he will make a statement. [56554]

Ms Jowell: We intend to extend regulation to children's homes which accommodate fewer than four children. We will set out our proposals in the forthcoming White Paper on Social Services.

CULTURE, MEDIA AND SPORT

National Lottery Distribution Fund

Mr. Fabricant: To ask the Secretary of State for Culture, Media and Sport, pursuant to his answer of 19 October 1998, *Official Report*, column *919*, on what estimates of the percentages of the National Lottery Distribution Fund to be received by each of the six good

causes in 1999 and 2000 his decisions on the cash distribution were based; and if he will publish those estimates. [56255]

Mr. Banks: As I said in my earlier reply, our decisions were made on the basis of a new forecast of Lottery income for the present licence period. We now anticipate an extra £600 million for the Good Causes and have decided to allocate £200 million to the arts, sports, heritage and charities and £400 million to health, education and the environment. This will require adjustments to the current percentage shares and we will lay an Order giving effect to those adjustments after consulting the Lottery distributors.

Multilateral Agreement on Investment

Mr. Dafis: To ask the Secretary of State for Culture, Media and Sport what plans he has to press for exemptions from the Multilateral Agreement on Investment for United Kingdom industries with particular reference to the *(a)* film and *(b)* publishing industries. [56153]

Janet Anderson: A successful conclusion to the MAI negotiations is most unlikely in the near future. We shall continue to consider the handling of the audiovisual sector within the MAI should negotiations resume. The Government have no plans to seek any form of exception for the publishing industry.

Museum Admission Fees

Mr. Peter Ainsworth: To ask the Secretary of State for Culture, Media and Sport what estimate he has made of the potential cost to *(a)* the Victoria and Albert Museum, *(b)* the National Maritime Museum, *(c)* the Science Museum, *(d)* the Natural History Museum and *(e)* the Imperial War Museum in (i) lost revenues and (ii) VAT rebates, of his proposals to introduce free admission. [56907]

Mr. Chris Smith *[holding answer 27 October 1998]:* Following the Comprehensive Spending Review (CSR), an extra £99 million was made available for museums and galleries over the next three years.

Subject to achieving clear targets for efficiency and reform, this will enable the Trustees of the major national institutions to introduce free access for children from next year, for pensioners the following year, and for all in 2001. However, the decision to adopt any or all of the stages towards free admission remains with the Trustees of the individual museums.

We are currently considering detailed submissions from the charging national museums about the precise level of compensation required, and are liaising with HM Customs and Excise about the VAT implications.

National Lottery (Further Education)

Mr. Green: To ask the Secretary of State for Culture, Media and Sport how much money from the National Lottery was allocated to projects involving further education between May 1997 and September 1998. [56941]

Mr. Banks *[holding answer 27 October 1998]:* Between May 1997 and September 1998, the distributing bodies awarded £78.7 million to 77 projects involving further education. Details of Lottery awards may be found on the Department's web site at www.lottery.culture.gov.uk.

National Lottery (Hospices)

Mr. Ian Stewart: To ask the Secretary of State for Culture, Media and Sport how many hospices have applied for National Lottery funding; and how many applications have been successful. [56687]

Mr. Banks: To date, 321 applications have been made by hospices for National Lottery funding. 33 applications totalling £6.3 million have so far been successful.

Digital Television

Mr. Collins: To ask the Secretary of State for Culture, Media and Sport what discussions he has had with the Independent Television Commission concerning the proposed provision of the digital ITV and ITV2 services on the digital services of British Sky Broadcasting; and if he will make a statement. [56419]

Janet Anderson *[holding answer 26 October 1998]:* My right hon. Friend the Secretary of State and I meet the Chairman of the Independent Television Commission from time to time to discuss a range of broadcasting issues, including the prospects for digital television across all delivery platforms. Whether to seek digital satellite carriage is a commercial decision for individual broadcasters—including ITV—and not one in which Ministers have a locus.

World Cup

Mr. Nigel Jones: To ask the Secretary of State for Culture, Media and Sport what support he has given to efforts to attract the 2006 Football World Cup to the United Kingdom. [56029]

Mr. Banks: The Government, from the Prime Minister down, are providing the fullest diplomatic and promotional support for the FA's bid to stage the 2006 World Cup. I hold regular meetings with the FA Campaign Team. I have personally discussed the bid with several members of the FIFA Executive Committee, either here in London or in their home countries. I will continue to accompany FA delegations to promote the bid as Parliamentary business allows. I have written to hon. Members urging them to use every opportunity to support the bid, and have been heartened by the positive response. I was delighted that the hon. Member, together with the hon. Member for Suffolk, West (Mr. Spring) and other right hon. and hon. Members, were able to join me at a reception at the Foreign and Commonwealth Office on 26 October at which Sepp Blatter, the FIFA President, following his meeting with the Prime Minister, was the principal guest.

FOREIGN AND COMMONWEALTH AFFAIRS

Iran

Mrs. Fyfe: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make representations to the Government of Iran about *(a)* the continuation of the execution order against Salman Rushdie, and *(b)* the continuing violations of human rights with particular reference to executions. [56707]

Mr. Fatchett: In New York on 24 September Dr. Kharrazi, the Iranian Foreign Minister, made an unequivocal statement of the Iranian Government's position on the threat to Salman Rushdie. He made it clear that his Government will take no action whatsoever to threaten the life of Salman Rushdie or anybody associated with his work, nor will it encourage or assist anybody to do so. We have long sought such assurances.

We have made our concerns known to the Iranians about the recent increases in the bounty. The Iranian Government have always maintained that the bounty offered by the XV Khordad Foundation was a private matter over which they had no control. In his statement in New York Dr. Kharrazi said that his government disassociated themselves from the bounty and did not support it. We shall continue to look for ways of resolving this matter satisfactorily.

We and our EU Partners intend to continue our policy of engagement with the Iranian regime. This will include, as in the past, keeping up pressure for improvements in some Iranian policies, including those affecting human rights. In particular, we shall continue to press the Iranians to allow a visit to Iran by the UN Human Rights Special Rapporteur, Maurice Copithorne.

Loizidou *v.* Turkey

Mr. Gale: To ask the Secretary of State for Foreign and Commonwealth Affairs what proposals will be put forward by Her Majesty's Government as a member of the Council of Europe and as a guarantor power to seek enforcement of the judgment of the Court of Human Rights in the case of Loizidou *v.* Turkey. [56336]

Ms Quin: In line with Council of Europe procedure, the UK, along with other members of the Council of Europe's Committee of Ministers, has invited Turkey to inform the Committee of the measures it proposes to take in consequence of the judgment, given its obligation under Article 53 of the Convention to abide by the Court's judgment.

Tibet

Mr. Laurence Robertson: To ask the Secretary of State for Foreign and Commonwealth Affairs what discussions he has had with the Chinese Government about China's occupation of Tibet. [56559]

Mr. Fatchett: The situation in Tibet is a matter of great concern. It is being addressed through our continuing bilateral and EU human rights dialogues with China. When my right hon. Friend the Foreign Secretary visited China in January, he encouraged Chinese leaders to enter into talks with the Dalai Lama in order to seek a lasting solution. He also raised a list of individual human rights cases, which included a number of Tibetans. My right hon. Friend the Prime Minister did the same when he met Chinese leaders earlier this month.

Kosovo

Mr. Laurence Robertson: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to the Federal Republic of Yugoslavia regarding *(a)* attacks on civilians, arbitrary arrests and expulsions, and *(b)* the actions of the Kosovo Liberation Army; and if he will make a statement about the situation in Kosovo. [56555]

Mr. Tony Lloyd: We have made frequent representations to the FYR government concerning the repressive actions of its security forces in Kosovo. In particular, we have condemned the indiscriminate attacks on civilians and the wanton destruction of their homes and livelihoods. We expect the FYR to comply fully with the demands of UNSCR 1199. NATO stands ready to act if they fail to do so. Equally, we expect the Kosovo Liberations Army to meet the demands of UNSCR 1199, including to cease hostilities.

Mr. Laurence Robertson: To ask the Secretary of State for Foreign and Commonwealth Affairs what steps he is taking to ensure that *(a)* independent human rights monitors have access to all parts of Kosovo, *(b)* resources are made available for the UN Human Rights Monitoring Programme, and *(c)* an independent international criminal court is set up; and if he will make a statement. [56778]

Mr. Tony Lloyd: *(a)* We co-sponsored United Nations Security Council resolution 1203 (adopted on 24 October) which places the weight of the Security Council behind the commitments made by President Milosevic to comply with early Security Council resolutions 1160 and 1199. The resolution calls for implementation of the agreement with the OSCE to allow 2,000 verifiers to deploy throughout Kosovo to monitor compliance with the earlier resolutions, assisted by NATO reconnaissance flights.

(b) We have contributed £410,000 to the Office of the UN High Commissioner for Human Rights to support the setting up of a field operation in Kosovo.

(c) We are among the first 120 states which decided on 17 July this year to establish the International Criminal Court. However, the Court will come into effect only when sixty States have ratified its Statute and will not have jurisdiction over events which take place before then.

The International Criminal Tribunal for the former Yugoslavia has jurisdiction to investigate and prosecute war crimes against humanity throughout the territory of the former Yugoslavia, including Kosovo.

INTERNATIONAL DEVELOPMENT

Albania

Mr. Cox: To ask the Secretary of State for International Development what assistance has been given by the United Kingdom Government to Albania in each of the last three years; and if she will make a statement. [56718]

Clare Short: UK Government assistance to Albania began in 1993 and has focused on the regulation of capital markets, rural development, health reform, good government and the development of civil society. We have also provided assistance to Albania through multilateral organisations such as the EU, and during last year's disturbances we provided significant emergency assistance.

Early in 1997 there was a hiatus in bilateral assistance to Albania due to civil disturbances. Since then the programme has been restarted and is focusing on strengthening governance and civil society, rural development and health reform.

Figures for UK bilateral and multilateral assistance are as follows:

Bilateral

Year	*£*
1998–99	[1]800,000
1997–98	749,104
1996–97	1,038,000
1995–96	1,093,000

[1] Forecast

Multilateral: (UK share)

Year	*Total £*	*Of which EC*
1997	[1]—	[1]—
1996	7,800,000	5,900,000
1995	6,100,000	3,900,000

[1] Not yet available

Aid and Development Projects

Mr. Streeter: To ask the Secretary of State for International Development if she will list the 10 largest aid or development projects funded directly by her Department in the 12 months from 1 September 1997; and if she will make a statement. [56225]

Clare Short *[holding answer 26 October 1998]:* I list below the ten largest new commitments made by my Department in the 12 months from 1 September 1997. These commitments include both project and programme aid.

Country	*Project title*	*Commitment (£)*
Uganda	Programme Aid for Poverty Reduction 1998–2000	40,000,000
Bangladesh	Bhairab Bridge Project	35,500,000
India	Andhra Pradesh Urban Services for the Poor	35,000,000
India	Civil Society Support Programme	25,000,000
Ghana	Programme Aid 1997	20,000,000
Tanzania	Programme Aid 1997–98	20,000,000
Uganda	Programme Aid (1997) Economic Reform and Primary Education	20,000,000
India	Partnerships for Sexual Health	18,940,000
India	UNICEF: Water and Environmental Sanitation	15,625,000
Sudan	WFP 1998 Sudan Programme (UN Appeal)	14,100,000

Commitments to individual projects are made within the framework of country strategies, prepared in consultation with partner governments, which determine the priorities for our development assistance. The overall objective of our country strategies, and the development assistance programme as a whole, is to contribute to the elimination of poverty, as set out in our White Paper published a year ago.

Jammu and Kashmir

Mr. Sarwar: To ask the Secretary of State for International Development if she will make a statement on the current provision of aid to Jammu and Kashmir. [56717]

Clare Short: We are providing £500,000 this year to the International Committee of the Red Cross for their humanitarian assistance programme in Jammu and Kashmir and £60,000 to the Save the Children Fund. Under the Small Grants Scheme about £19,000 is being provided to help equip a maternity hospital in Anantnag.

Developing Countries

Mr. Streeter: To ask the Secretary of State for International Development by what means her Department assesses the economies of developing countries; what is her Department's policy towards assisting such economies; and if she will make a statement. [56541]

Clare Short *[holding answer 26 October 1998]:* My Department has an experienced group of economic advisers who monitor economic developments in major partner countries. Key assessments of the economies of developing countries are brought together in our Country Strategy Papers. These are developed drawing on the World Bank International Monetary Fund, and other multilateral and national sources of information.

These strategy papers set out how we will build partnerships with poorer countries with the aim of poverty elimination through the promotion of sustainable development, in accordance with the policies in our White Paper, published last year.

Monitoring and Accounting Procedures

Mr. Streeter: To ask the Secretary of State for International Development what systems are in place for monitoring how her Department's budget is spent by *(a)* the EU and *(b)* other recipient organisations. [56224]

Clare Short *[holding answer 26 October 1998]:* My Department monitors closely spending by the European Commission and other multilateral organisations through regular consultations, participation in meetings of the relevant governing bodies, executive boards and management committees. We maintain an oversight of their financial management systems and their annual audited accounts. All organisations which receive Department for International Development (DFID) funds are required to provide regular certified statements of expenditure, and reports by external auditors.

Full details of DFID's monitoring and accounting procedures are set out in the Department's Office Instructions, copies of which are in the Library of the House of Commons. The European Commission and the Court of Auditors issue a variety of reports on EC development assistance, which the Government submit for Parliamentary scrutiny.

Multilateral Agreement on Investment

Mr. Streeter: To ask the Secretary of State for International Development if she will make a statement

on her Department's assessment of the impact of the Multilateral Agreement on Investment on developing countries. [56538]

Clare Short *[holding answer 26 October 1998]:* Following France's decision to withdraw from MAI negotiations, it now seems most unlikely that an Agreement will be presented to Organisation for Economic Co-operation and Development (OECD) Ministers for signature in May 1999, as had been the intention of MAI negotiators. However the Government remain committed to working for the development of a liberal, rule-based system for international investment, which takes proper account of social, environmental and developmental issues, and which will be in the interests of developing countries.

Uganda

Mr. Streeter: To ask the Secretary of State for International Development if she will make a statement on the recipient projects in Uganda of the £67 million for educational assistance. [56535]

Clare Short *[holding answer 26 October 1998]:* The £67 million is to be disbursed over a five year period in support of the Government of Uganda's Education Sector Investment Plan (ESIP). The main priority of the ESIP is the achievement of Universal Primary Education by 2003, which is itself an important component of Uganda's broader poverty eradication effort.

The ESIP has been developed with UK assistance in partnership with the Government of Uganda and other donors. It is to run from 1997 to 2003 and is expected to cost some £430 million in recurrent expenditure (1998–2001) and at least £370 million in new investment proposals. £60 million of our overall commitment will be disbursed as budgetary assistance towards these costs. The remaining £7 million is to be used for technical co-operation in support of the overall programme (including audit and financial reporting). As such, our contributions will not be tied to any particular projects but are intended to support the realisation of the ESIP programme as a whole.

Public Appointments

Mr. Vaz: To ask the Secretary of State for International Development if she will publish the names of those people she has appointed to public bodies since 1 May 1997, indicating the positions to which they have been appointed and whether they receive remuneration. [56806]

Clare Short: I have appointed 51 people to public bodies since 1 May 1997.

Name	*Position*	
Commonwealth Scholarship Commission		
Professor Trudy Harpham	Member	No remuneration
Professor John Pendry	Member	No remuneration
Professor Jang Dilawari	Member	No remuneration
Professor William Hill	Member	No remuneration
Know How Fund Advisory Board		
Christopher Beauman	Member	No remuneration
Jim Cousins MP	Member	No remuneration
Robert Davies	Member	No remuneration
Dr. Judith Shapiro	Member	No remuneration
Baroness Smith of Gilmorehill	Member	No remuneration
Advisory Committee on Overseas Economic and Social Research		
Professor Graham Chapman	Re-appointment Member	No remuneration
Professor Tony Killick	Re-appointment Member	No remuneration
Dr. George Kolankiewicz	Re-appointment Member	No remuneration
Professor Pat Caplan	Member	No remuneration
Professor Anne Booth	Member	No remuneration
Professor Jan Willem Gunning	Member	No remuneration
Dr. Caroline Harper	Member	No remuneration
Dr. Athar Hussein	Member	No remuneration
Professor Carole Rakodi	Member	No remuneration
Professor David Hulme	Member	No remuneration
Dr. Frank Ellis	Member	No remuneration
Professor Anil Markandya	Member	No remuneration
Commonwealth Development Corporation		
Carolyn Hayman	Re-appointment Member	£7,500
Pendarell Kent	Re-appointment Member	£7,500
Sir William Ryrie	Re-appointment Deputy Chairman	£9,000
Overseas Service Pensions Scheme Advisory Board		
Timothy Davey	Member	No remuneration
Harvey Smith	Member	No remuneration
Development Awareness Working Group		
Tany Alexander	Member	No remuneration
Douglas Bourn	Member	No remuneration
Professor Tim Brighouse	Member	No remuneration
Paddy Coulter	Member	No remuneration
Liz Cumberbatch	Member	No remuneration
Bisi Adeleye Fayemi	Member	No remuneration
John Fisher	Member	No remuneration
Jaya Graves	Member	No remuneration
Libby Grundy	Member	No remuneration
Judith Hemery	Member	No remuneration
Phil Hope MP	Member	No remuneration
Dr. Kim Howells MP	Member	No remuneration
Elenid Jones	Member	No remuneration
Robin Lloyd-Jones[1]	Member	No remuneration
David McKenzie	Member	No remuneration
Stephen MacCloskey	Member	No remuneration
Jane Nelson	Member	No remuneration
Ashok Ohri	Member	No remuneration
Dan Rees	Member	No remuneration
Tony Robinson	Member	No remuneration
Scott Sinclair	Member	No remuneration
Jon Snow	Member	No remuneration
John Sutton	Member	No remuneration
Derek Walker	Member	No remuneration
Tom Wylie	Member	No remuneration

[1] Has now left and been replaced by David McKenzie.

DEFENCE

Ships Support Agency

Mr. Hancock: To ask the Secretary of State for Defence what have been the targets set for the Ships Support Agency on upkeep period timeliness for each of the years 1996–97, 1997–98 and 1998–99; what were the achievements against the target in 1996–97 and 1997–98; and what factors influenced the selection of the target for 1998–99. [56038]

Mr. Spellar: The Ships Support Agency's targets and achievements against target for Upkeep period timeliness in 1996–97 may be found in the Cabinet Office's Next Steps Report 1997, a copy of which is in the Library of the House. The Agency's targets and achievements against target in 1997–98 are published in the Agency's Annual Report for 1997–98, a copy of which is also in the Library of the House. For the 1998–99 targets, I refer the hon. Member to the answer given by the former

Minister for the Armed Forces to my hon. Friend the Member for Plymouth, Sutton (Mrs. Gilroy) on 5 June 1998, *Official Report*, columns *397–98*.

The target for 1998–99 has been adjusted with the agreement of the Agency's owner, Chief of Fleet Support, and its customers to take account of known overruns on maintenance projects which were already in progress in April 1998, and the budget allocated to the Agency.

RPAX Insurance Scheme

Mr. Hancock: To ask the Secretary of State for Defence how many *(a)* Territorial Army and *(b)* other reserve forces personnel are members of the RPAX insurance scheme; and what change there has been in membership since the scheme's inception. [56065]

Mr. Doug Henderson: RPAX is a private insurance scheme provided for members of the Reserve Forces by Aon Risk Services. My Department strongly encourages Reservists to take advantage of the benefits that the scheme provides, but it is for Reservists themselves to decide whether they should do so. My Department therefore keeps no record of the number of Reservists who have joined the scheme, though I understand that the number joining has risen steadily since it was introduced in 1991.

Defence Export Services Organisation

Mr. Lock: To ask the Secretary of State for Defence what was the cost of operating the Defence Export Services Organisation in each of the last three financial years. [56738]

Mr. Spellar: I will write to my hon. Friend and a copy of my letter will be placed in the Library of the House.

Redundant Military Equipment

Mr. Bob Russell: To ask the Secretary of State for Defence what arrangements exist to assist *(a)* public museums, *(b)* private museums and *(c)* private collectors in the acquisition of surplus or redundant military equipment. [56437]

Mr. Spellar: This subject was raised by the hon. Member for Gosport (Mr. Viggers), on behalf of the naval museums, during the Easter Adjournment debate on 8 April 1998, *Official Report*, columns 282–84. I subsequently met him on 3 June.

Following that meeting, I instructed officials in my Department to draft a set of guidelines to put in place more effective procedures for ensuring that assistance in obtaining surplus equipment can be provided to museums. In conducting this study officials in my Department will be consulting interested parties outside the Ministry of Defence.

It would be premature, at this stage, to speculate on the outcome. I will write to the hon. Member for Colchester, once the new guidelines have been endorsed.

Public Appointments

Mr. Vaz: To ask the Secretary of State for Defence if he will publish the names of those people he has appointed to public bodies since 1 May 1997, indicating the positions to which they have been appointed and whether they receive remuneration. [56800]

Mr. Spellar: I will write to my hon. Friend and a copy of my letter will be placed in the Library of the House.

Pay and Personnel Agency

Mr. Laurence Robertson: To ask the Secretary of State for Defence what factors were taken into account when deciding to relocate the PPA Pensions Office from Worcester to Cheadle Hulme; what assessment was made of the impact on the Worcester area of the change; what assessment he has made of the effect on the quality of work following the move; and if he will make a statement. [56561]

Mr. Spellar: The proposal to close the Pay and Personnel Agency (PPA) pensions office in Worcester and move the work to the existing spare accommodation on the PPA site in Cheadle Hulme arose from an efficiency review of the whole of the PPA.

The main factors in the report were the proposals for the most efficient running of the PPA and the important savings arising from implementing them. I understand the disappointment of the 130 staff currently employed in the Worcester office but the proposed closure is part of a reorganisation of the Agency which, when completed, will produce significant and necessary savings in running costs. The review recognised the possibility of redundancies in the Worcester office, although the MOD will aim to find alternative work for as many staff as possible.

The PPA management board are confident that the work can be satisfactorily transferred to Cheadle Hulme thus avoiding redundancies there. They also recognise the need for a careful transfer of skills to ensure that there is no lessening in the quality of the pensions work undertaken by the PPA.

The efficiency review recommendations are currently the subject of consultation with MOD Trade Union officials and I shall make a further statement when that process is completed.

NORTHERN IRELAND

Northern Ireland Assembly

10. **Mr. Jim Murphy:** To ask the Secretary of State for Northern Ireland if she will make a statement on the progress of the Northern Ireland Assembly towards taking over executive functions. [54770]

16. **Mr. Jim Marshall:** To ask the Secretary of State for Northern Ireland if she will make a statement on progress made in respect of the new Assembly for Northern Ireland. [54777]

Mr. Paul Murphy: A considerable amount of work has yet to be completed before executive and legislative responsibilities could be transferred to the Assembly. There has yet to be agreement on the number and

responsibilities of ministerial offices, or on the elements of a programme for government, or on areas for co-operation between North and South and how such co-operation should be put into effect. Even once agreements are reached, several Orders and Orders-in-Council will need to be made so that they can be given effect.

Both my right hon. Friend the Secretary of State and the Prime Minister are engaged in intensive discussions with the parties and the Irish Government with a view to reaching early agreement on how the necessary preliminary decisions can best be reached.

Parades Commission

11. **Dr. Godman:** To ask the Secretary of State for Northern Ireland what recent discussions she has had with members of the Parades Commission concerning decisions taken by the commission in the summer. [54772]

Mr. Ingram: The Parades Commission is an independent body which makes decisions in respect of individual parades solely on the basis of the criteria laid down in the Public Processions Act 1998. The legislation also provides that the Secretary of State may, on application by the Chief Constable, review a determination issued by the Commission. For these reasons she did not discuss with the Parades Commission determinations being considered by it.

Paramilitary Groups

12. **Mr. Robathan:** To ask the Secretary of State for Northern Ireland how many assaults and murders have been carried out by paramilitary groups since 1 August. [54773]

Mr. Ingram: Since 1 August, there has been one terrorist incident which led to the deaths of 29 persons in Omagh. This atrocity was subsequently claimed by the Real IRA. During the same period there have been 31 paramilitary style assaults as attributed in the table:

	Attributed to Loyalist Groups	*Attributed to Republican Groups*	*Total*
Deaths	0	29	29
Paramilitary style attacks			
Shootings	6	1	7
Assaults	20	4	24

Notes:

1. The above figures refer to the number of casualties as distinct from the number of incidents.
2. All statistics are subject to minor adjustment, as further information comes to light.

Integrated Education

13. **Mr. Willis:** To ask the Secretary of State for Northern Ireland what plans she has to expand the opportunities for children to attend integrated schools. [54774]

Mr. McFall: Government will continue to respond to parental demand for integrated education by supporting the robust proposals for new Grant-Maintained Integrated schools or for the transformation of existing schools to integrated status. This year Malone Integrated College, an independent integrated secondary school, was awarded grant-aided status and six schools were given approval for transformation, bringing the total number of integrated schools to 40. A working group has also been established to examine ways of encouraging and promoting the further development of integrated education.

26. **Mr. McWalter:** To ask the Secretary of State for Northern Ireland what progress is being made on developing integrated schools. [54787]

Mr. McFall: This year Malone Integrated college, an independent integrated secondary school, was awarded grant-aided status and 6 schools were given approval to transform to integrated status, bringing the total number of integrated schools to 40 with a total enrolment of over 10,000 pupils. A working group has also been established to examine ways of encouraging and promoting the further development of integrated education.

Economy

14. **Helen Jones:** To ask the Secretary of State for Northern Ireland what progress has been made in promoting a strong and sustainable economy in Northern Ireland. [54775]

Mr. Ingram: I refer my hon. Friend to the reply I gave earlier today to my hon. Friend the Member for Dudley, South (Mr. Pearson), *Official Report*, column 324.

Belfast Agreement

15. **Ms Southworth:** To ask the Secretary of State for Northern Ireland what steps she is taking to ensure that proposals contained in the Belfast Agreement are enshrined in legislation. [54776]

Marjorie Mowlam: The proposals in the Belfast Agreement are contained in the Northern Ireland Bill which was introduced to this House on 15 July, receiving its Third Reading on 31 July. Following consultations with the Northern Ireland political parties a number of changes and technical amendments were introduced after the Bill received its Second Reading in another place on 5 October. I expect the Bill to complete its parliamentary stages within the next few weeks opening the way for the Belfast Agreement to take effect in the new year.

Peace Process

17. **Mr. Canavan:** To ask the Secretary of State for Northern Ireland if she will make a statement about the development of the peace process. [54778]

20. **Shona McIsaac:** To ask the Secretary of State for Northern Ireland if she will make a statement on progress made in the Northern Ireland peace process. [54781]

Marjorie Mowlam: We are continuing to do everything in our power to implement all aspects of the Belfast Agreement. It produced solid gains for all those

involved and it remains the best hope for long term peace, political stability and reconciliation in Northern Ireland. While some difficult issues remain to be resolved, progress is being made on a number of fronts. The First Minister and Deputy First Minister, in consultation with the other parties, are preparing proposals regarding Ministerial portfolios; the shadow Assembly met during September and most recently on Monday 26 October and has positively addressed a range of issues; the Northern Ireland Bill is under detailed scrutiny in another place; the Police Commission, under the chairmanship of Chris Patten, has commenced work and the review of criminal justice is under way; measures to normalise the security situation have been introduced; and the early release programme has commenced.

Terrorists

18. **Mr. Hammond:** To ask the Secretary of State for Northern Ireland if those convicted of terrorist offences related to Northern Ireland *(a)* in Northern Ireland and *(b)* in England and Wales since the Good Friday Agreement will be eligible for the increased remission of sentence provided for in the Northern Ireland (Sentences) Act 1998. [54779]

Mr. Ingram: Eligibility to apply for accelerated release is clearly spelt out in the Northern Ireland (Sentences) Act 1998. Only those convicted of qualifying offences committed before 10 April 1998 will be eligible to be considered for release in accordance with the Northern Ireland (Sentences) Act 1998.

Independent Commission on Policing

19. **Mr. Ben Chapman:** To ask the Secretary of State for Northern Ireland if she will make a statement on the work of the Independent Commission on Policing. [54780]

Mr. Ingram: The Independent Commission is consulting widely and has received almost 2,000 submissions—the vast majority from individual members of the public. It has met with key figures in the field of policing and has recently held a number of public meetings. As the Agreement says, the Commission will report no later than Summer 1999.

Local Government

21. **Mr. Bill O'Brien:** To ask the Secretary of State for Northern Ireland if she will make a statement on the future funding of local government in Northern Ireland. [54782]

Mr. Paul Murphy: The present funding of local government in Northern Ireland is provided from the proceeds of the district rates; the General Exchequer Grant; other specific grants; loans; and fees and charges for services. There are no plans to change these arrangements.

Decommissioning

22. **Mr. Wilkinson:** To ask the Secretary of State for Northern Ireland how many illegally held weapons and explosive devices have been voluntarily decommissioned since 1 January. [54783]

Mr. Ingram: No weapons or explosives have yet been decommissioned. The British and Irish Governments brought decommissioning schemes into force on 30 June in accordance with the Agreement. All parties must implement the Agreement in full for it to work, including the decommissioning requirements.

Guardsmen Fisher and Wright

23. **Mr. Dalyell:** To ask the Secretary of State for Northern Ireland if she will make a statement on the case of Guardsmen Fisher and Wright. [54784]

Mr. Ingram: Guardsmen Fisher and Wright were released on life licence by the Secretary of State on 2 September 1998. This decision took into account that while the Secretary of State had been carrying out a review of the cases, the Northern Ireland (Sentences) Act 1998 became law. Although she was aware that the Guardsmen had applied to the Sentence Review Commission for early release, the Secretary of State was conscious that the Sentences Act enables the early release of prisoners who were engaged in terrorism. The Guardsmen were in Northern Ireland as a consequence of that terrorism and committed the offence while on duty to counter it. At the time of her decision the Secretary of State was also aware that the first possible releases under the Sentences Act could have taken place from 7 September onwards.

Taking all these factors into account, and having consulted the Lord Chief Justice as required by statute, the Secretary of State decided that the Guardsmen should be released on life licence under the Prison Act 1953.

Terrorist Offences

24. **Mr. Maginnis:** To ask the Secretary of State for Northern Ireland what major terrorist incidents pertaining to Northern Ireland have occurred since 15 July; and which organisations the RUC assesses to have been responsible. [54785]

Mr. Ingram: The RUC has advised that the following major terrorist incidents have occurred since 15 July 1998.

Date	*Location*	*Details*	*Attribution*
19 July 1998	Dill House, New Lodge, Belfast	Andrew Kearney was shot in both legs after approximately 8 men had forced their way into his home. He died from his injuries.	Members of IRA
21 July 1998	Corry Square, RUC, Newry	A MK 15 mortar launched at the station from a van parked in a car park nearby. No injuries.	Claimed by RIRA
27 July 1998	Garvagh Court, Londonderry	Five masked and armed men forced entry into the home of Anthony and Francis Creane. Both brothers were shot and seriously wounded.	Loyalists

Date	Location	Details	Attribution
1 August 1998	Banbridge Town Centre	Following coded telephone warnings a car bomb exploded. Approximately 35 persons injured and extensive damage to the town.	Claimed by RIRA
6 August 1998	Narrow Water, Warrenpoint	An explosion was heard in this area. A substantial crater was located during the subsequent clearance operation.	Republican
15 August 1998	Market Street, Omagh	A bomb contained in an abandoned car exploded at this location. Twenty-nine persons were killed and hundreds injured.	RIRA
5 September 1998	Portadown	Constable Frankie O'Reilly was seriously injured by a blast bomb which was thrown at police lines. He died from his injuries on 6 October 1998.	Claimed by Red Hand Defenders

Note:
The RUC does not categorise terrorist incidents as major or otherwise, as there are inherent difficulties in that what may be perceived by one person as a major terrorist incident may not be perceived as such by another. This table has been provided in order to be as helpful as possible.

27. **Sir Sydney Chapman:** To ask the Secretary of State for Northern Ireland if she will make a statement on the number of terrorist acts of violence over the past six months. [54788]

Mr. Ingram: During the past 6 months there have been 44 deaths as a result of the security situation including the deaths of 29 innocent members of the public at Omagh and more recently the murder of RUC Constable Frank O'Reilly. Furthermore, there have been an unacceptable number of brutal paramilitary style assaults which have no place in a civilised society.

Nevertheless—and despite these appalling incidents—overall paramilitary activity is at an historically low level. This is a direct consequence of the Belfast Agreement. As it takes root, the Government and the vast majority of people of Northern Ireland share the hope and the determination that the frequency of paramilitary violence will be further reduced and eventually become a thing of the past.

Drumcree

25. **Mr. Gordon Prentice:** To ask the Secretary of State for Northern Ireland what was the cost of this year's security operation mounted at Drumcree. [54786]

Mr. Ingram: I refer my hon. Friend to the answer I gave earlier today to the hon. Member for West Tyrone (Mr. Thompson), *Official Report*, column 328.

Higher Education

28. **Mr. Beggs:** To ask the Secretary of State for Northern Ireland how many Northern Ireland first year students have accepted places in English, Scottish and Welsh universities and colleges for the 1998–99 academic year; and how this number compares with the total number of Northern Ireland students who enrolled in English, Scottish and Welsh universities and colleges in each of the previous four years. [54789]

Mr. McFall: The information requested is as follows:

	English universities and colleges	*Scottish universities and colleges*	*Welsh universities and colleges*
1994–95	1,989	1,504	115
1995–96	2,110	1,482	118
1996–97	2,248	1,633	133
1997–98	2,506	1,690	155
1998–99[1]	2,339	1,665	163

[1] Position at 23 September 1998 Final figures will not be available until November

Football Clubs

Mr. Beggs: To ask the Secretary of State for Northern Ireland what support Her Majesty's Government intends to provide for football clubs in Northern Ireland to enable them to meet the standards demanded by health and safety legislation. [56341]

Mr. Paul Murphy: Funds are currently available to football clubs in Northern Ireland through the Sport Lottery Fund, administered by the Sports Council, to assist them to meet the standards demanded by health and safety legislation. The Government plan to introduce new legislation to improve safety standards at sports grounds in Northern Ireland and are currently considering the financial implications for clubs.

Fraud

Rev. Martin Smyth: To ask the Secretary of State for Northern Ireland if she will list the number and type of suspected fraud cases which have been investigated in agencies answerable to Northern Ireland departments by department and year since 1995, indicating how many *(a)* proved erroneous, *(b)* required no further action and *(c)* were proven; and what were the penalties in respect of (c). [55574]

Mr. Paul Murphy: The information for the Northern Ireland Departments is listed in the table.

Internal fraud

Department/year		Type of fraud	(a)	(b)	(c)
DED					
1996	1	False claim concerning salary cheque	—	—	1 Internally disciplined
	1	Forged invoices	—	—	1 Dismissed
DFP					
1996	1	False Travel Claims	—	—	2 Dismissed
	1	Theft			
DHSS					
1995	1	Misclaiming of fees due	—	—	1 Dismissed
	2	Social Security Benefit irregularities	—	—	1 Dismissed
					1 Suspended without pay
1996	1	Misappropriation of Funds	—	—	1 Officer responsible not traced
	1	Overcharging	—	—	1 Police investigation being handled nationally
	2	Social Security Benefit irregularities	—	—	1 Suspended without pay
					1 Still under investigation
1997	2	Misappropriation of Funds	—	—	1 Currently at Court
					1 Disciplinary hearing—officer resigned
	3	Misclaiming of fees due	1	—	1 Currently at Court
					1 No criminal offence—referred to disciplinary committee
	1	Understatement of Earnings	—	—	1 Under police investigation
	3	Social Security Benefit irregularities	—	—	1 Dismissed
					2 Still under investigation—1 officer suspended without pay
1998	6	Misclaiming of fees due	1	—	3 Under police investigation— one of which referred to General Medical Council
					2 Under internal investigation
	1	Misuse of official telephone	—	—	1 Dismissed
	1	Overcharging	—	—	1 Currently under internal investigation
	1	Prescription misuse	—	—	1 Under police investigation
	1	Social Security Benefit irregularities	—	—	1 Dismissed
DOE					
1995	1	Theft	—	—	1 Demoted
1996	1	Fraudulent travel claims	—	—	1 Dismissed
	8	Theft	6	—	1 Suspended
					1 Dismissed
	1	Collusion with a supplier	1	—	—
	1	Misappropriation of Grant-Aid	—	—	1 Referred to RUC—investigation ongoing
	4	Patronage of contractor	3	—	1 Internal Audit investigation ongoing
	2	Fraudulent activity by water service suppliers	—	—	1 Prosecution
					1 Under consideration
1997	5	Theft	—	—	1 Further action pending
					1 Issue of Final Formal Warning
					1 Dismissed
					2 Cases still under investigation
	1	Misuse of office resources	—	1	
DHSS[1]					
1995–96	14,731	SSA benefit fraud cases[2]	7,698	4,714	2,319
					6 Prison sentences
					39 Suspended sentences
					550 Fines imposed
					153 Community Service or Conditional Discharge
1996–97	12,440	SSA benefit fraud cases[2]	6,321	4,877	1,242
					6 Prison sentences
					29 Suspended sentences
					387 Fines imposed
					153 Community Service or Conditional Discharge
1997–98	4,314	Working & Claiming	5,971	4,565	1,089
	901	Living together as husband & wife			4 Prison sentences
	6,410	Other[3]			47 Suspended sentences
	11,625				313 Fines imposed
					107 Community Service or Conditional Discharge
1998–99	1,690	Working & Claiming	2,256	2,014	515
	314	Living together as husband & wife			4 Suspended sentences
	2,781	Other[3]			41 Fines imposed
	4,785				43 Community Service or Conditional Discharge
1997	87	Fraudulent rates claims by the public	—	47	10 Cases referred to Fraud and Prosecution Branch, DHSS
					30 Resolved internally by Rate Collection Agency

[1] External fraud relates to fraud by Social Security Agency customers. These statistics are held on a tax year basis.

[2] No breakdown available

[3] The number of proven cases does not equal the number of cases on which legal proceedings are taken because not all cases are suitable for prosecution. In cases where fraud has been proven (whether or not legal proceedings have been pursued) action is normally taken to seek recovery of the overpayment.

Punishment Beatings and Shootings

Mr. William Ross: To ask the Secretary of State for Northern Ireland how many *(a)* punishment beatings and *(b)* punishment shootings have taken place in Northern Ireland since 1 January; and how many of these the RUC has attributed to (i) Irish Republican and (ii) Loyalist terrorist organisations. [54761]

Mr. Ingram: From 1 January to 30 September 1998 there have been 58 paramilitary style shootings, 27 attributed to Loyalist groups and 31 attributed to Republican groups. There have been 107 paramilitary style assaults, 67 by Loyalists and 40 by Republicans.

Schools (Newtownards)

Mr. John D. Taylor: To ask the Secretary of State for Northern Ireland what areas of Victoria Primary School in Newtownards are not being used; what is the reason; and if he will make a statement. [56780]

Mr. Paul Murphy: I understand from the South Eastern Education and Library Board that the assembly hall at Victoria Primary school has been closed because of structural defects. The Board has given approval for the structural upgrading of the hall and the replacement of its windows. Tenders are about to be sought and work should commence in the near future. When work is complete the hall will be re-opened.

Mr. John D. Taylor: To ask the Secretary of State for Northern Ireland what proposals there are to replace Castle Gardens Primary School in Newtownards; what is the timetable for such a proposal; and if he will make a statement. [56779]

Mr. Paul Murphy: The South-Eastern Education and Library Board proposes to replace Castle Gardens Primary School on a new site on the Bowtown Road. Planning for this is at an advanced stage and the school will be considered for a place in next year's capital programme in light of the resources available.

AGRICULTURE, FISHERIES AND FOOD

Hill Livestock Compensatory Payments

Mr. Ieuan Wyn Jones: To ask the Minister of Agriculture, Fisheries and Food if he will list the comparative rates of hill livestock compensatory payments in the United Kingdom and each other member state of the European Union, expressed in terms of ecus per livestock units. [56908]

Mr. Rooker *[holding answer 27 October 1998]:* The information requested is not available in up to date form. The European Commission has previously provided the following crude data on the average amount of compensatory allowance paid in 1994:

ecu

EU Member State	*Average amount of less favoured area compensatory allowance per livestock unit*
Belgium	85
Denmark	n/a
Germany	93
Greece	61
Spain	36
France	70
Ireland	88
Italy	57
Luxembourg	113
Netherlands	104
Portugal	54
United Kingdom	47

n/a = not applicable

Source:

European Commission working document

It is up to each member state to determine the rates which are appropriate to its own circumstances and the precise conditions which may attach to these payments. The EU legislation requires that the payment must reflect the degree of permanent natural handicap which is found to exist in the Less Favoured Areas.

BSE

Mr. Dalyell: To ask the Minister of Agriculture, Fisheries and Food if he will place in the Library the correspondence between his Department and Dr. Anthony Parish of the University of East Anglia in relation to BSE and toxic reactions to pesticide/ insecticide chemicals. [55541]

Mr. Rooker: It is not normal practice for the Ministry to place in the Library correspondence between this Department and a private individual and I am not prepared to set such a precedent in respect of Dr. Parish. If Dr. Parish wishes to publish his theory on the origins of BSE, he should submit it to a journal which publishes that type of material.

Banned Antibiotics

Mr. Gordon Prentice: To ask the Minister of Agriculture, Fisheries and Food what discussions he has had with his Danish counterpart concerning the decision of the Danish Government to ban the use in animals of virginiamycin; and if he will make a statement. [56273]

Mr. Rooker: At the October Agriculture Council meeting, which was attended by my right hon. Friend the Minister, Denmark presented a paper on antimicrobial resistance, which reflected the conclusions of a conference of Chief Medical Officers of the EU in Copenhagen in September. The Minister was represented by the Chief Executive of the Veterinary Medicines Directorate and the Copenhagen Conference was also attended by two members of the Veterinary Products Committee, which advises the Government on veterinary medicines and zootechnical feed additives, including growth promoters.

Mr. Gordon Prentice: To ask the Minister of Agriculture, Fisheries and Food what discussions he has had with his Swedish counterpart concerning the decision by the Swedish Government in 1986 to ban the use of antibiotics in animals when used as growth promoters; what assessment his Department has made of the impact of the ban; and if he will make a statement. [56272]

Mr. Rooker: The matter was discussed at a meeting between my right hon. Friend the Minister and the Swedish Minister on 19 October. The United Kingdom was represented at a conference in Stockholm in September on "The Swedish Model of Animal Production" by the Chief Executive of Veterinary Medicines Directorate and the Chairman of the independent, scientific Veterinary Products Committee which advises the Government on veterinary medicines and zootechnical feed additives, including growth promoters.

Industry figures indicate that the use of antibiotic growth promoters saves about 2.25 million tonnes of animal feed in the European Union each year.

Public Analyst Arrangements

Charlotte Atkins: To ask the Minister of Agriculture, Fisheries and Food when he expects the review of Public Analyst arrangements in England and Wales to be completed. [57227]

Mr. Rooker: The Chairman of the Review Group has now submitted its report to me. Copies have been placed in the Library of the House and will be sent to those who made submissions to the Group. It will also be made available on the Ministry's web site. I am grateful to the Chairman and members of the Group for the timely completion of their review. The Government will need to give careful consideration to the large number of detailed recommendations and decide how to carry them forward in consultation with the other relevant bodies.

Written Answers to Questions

Thursday 29 October 1998

DEFENCE

Armed Services Personnel

Mr. Sheerman: To ask the Secretary of State for Defence what categories of criminal record debar a candidate from joining Her Majesty's armed forces. [54905]

Mr. Doug Henderson: The regulations with regard to applicants with criminal records differ slightly for each Service. However, in general, any custodial sentence, including corrective training, youth custody, and detention, would debar a candidate from joining any of the Armed Forces. Additionally, any conviction for sexual offences, under the Sexual Offences Acts 1956, 1967 or 1985; the Street Offences Act 1959; the Indecency with Children Act 1960; the Protection of Children Act 1978; or the Sex Offenders Act 1997, or for misuse of drugs will debar candidates from entry. Experimentation with soft drugs, however, is not an automatic disqualification from Armed Forces employment. For other minor convictions each application will be considered on merit and the nature of the offence.

All criminal convictions and police cautions must be declared for security clearance purposes. All personnel recruited into the Naval Service and the RAF, all Army Officers, and some Army Other Ranks in specific trades, for example the Intelligence Corps, require security clearance before entry. The requirements of the Rehabilitation of Offenders Act 1978 are always taken into consideration.

Territorial Army

Maria Eagle: To ask the Secretary of State for Defence what assessment he has made of the impact of the reduction of the TA establishment on the closure of local TA centres in Liverpool. [56827]

Mr. Doug Henderson: Proposals for the future of the Territorial Army and local TA centres have not yet been put to Ministers for their consideration.

Maria Eagle: To ask the Secretary of State for Defence what assessment he has made of the impact of a reduction in TA strength on related cadet forces where TA centres are closed. [56834]

Mr. Doug Henderson: It is the aim of my Department to ensure that any disruption to cadet units arising from the restructuring of the Territorial Army should be kept to a minimum. Wherever necessary alternative accommodation will be provided for any cadet group which shares premises with a TA unit that is affected by the restructuring process.

Territorial, Auxiliary and Volunteer Reserve Associations

Maria Eagle: To ask the Secretary of State for Defence (1) what assessment he has made of the effectiveness of TAVRAs in providing the TA with value for money in property management and utility provision; [56832]

(2) what steps he will take to retain the Territorial, Auxiliary and Volunteer Reserve Associations in the implementation of the Strategic Defence Review. [56833]

Mr. Doug Henderson: An appraisal of the supply services provided to the Reserve Forces by the Territorial, Auxiliary and Volunteer Reserve Associations (TAVRAs) was undertaken as part of the Strategic Defence Review. The Review made clear that the Department recognised and valued the support of the TAVRAs. We consider the Associations are an essential part of the management of the Reserves and Cadets, and attach great importance to their contribution in a wide range of activities.

The Strategic Defence Review therefore concluded that the TAVRAs should continue in the future. The Review concluded that there should be some changes to the boundaries of the regions for which Associations are responsible, and to their funding arrangements, to reflect the closer integration between Army Regulars and Reservists. The Associations are closely involved in the development of these proposals.

Pilots

Mr. Hancock: To ask the Secretary of State for Defence how many RAF pilots have completed training in each of the last five years. [56754]

Mr. Doug Henderson: RAF pilots are classified as passing into 'productive service' following completion of the various stages of pilot training up to and including Operational Conversion Unit training on particular aircraft. Numbers entering 'productive service' in each of the last 5 financial years were as follows:

Year	*Number of RAF pilots*
1993–94	85
1994–95	71
1995–96	87
1996–97	99
1997–98	105

Mr. Hancock: To ask the Secretary of State for Defence which Royal Navy Air Service units currently have a shortage of trained pilots; and what is the total extent of the shortfalls. [56750]

Mr. Doug Henderson: The following Naval Air Squadrons have a shortage of trained pilots: 899, 800, 801, 702, 810, 819 and 845. This amounts to a total shortage of 12 trained pilots.

Senator Pinochet

Mr. Wilkinson: To ask the Secretary of State for Defence when the Defence Sales Organisation of the Ministry of Defence was informed of the visit of Senator Pinochet of Chile to the United Kingdom in September and October 1998; and over what parts of his programme they were consulted by British Aerospace. [57024]

Mr. George Robertson *[holding answer 28 October 1998]:* The Defence Export Services Organisation of my Department first became aware of the visit of Senator Pinochet to the UK around 6 October. They were not consulted by British Aerospace over any part of his programme.

Trident

Mr. Menzies Campbell: To ask the Secretary of State for Defence how many Trident missiles have been deployed on each United Kingdom Trident patrol since 1995. [55871]

Mr. George Robertson *[holding answer 28 October 1998]:* I am withholding this information under Exemption 1 of the Code of Practice on Access to Government Information (Defence, Security and International Relations).

Radiation Exposure

Mr. Hancock: To ask the Secretary of State for Defence how many claims his Department has received from former service personnel arising from exposure to radiation whilst serving on Royal Navy submarines. [57167]

Mr. Spellar: Records show that, as at 28 October 1998, thirteen claims for compensation had been received by my Department from former Service personnel alleging exposure to radiation whilst serving on Royal Navy submarines.

Military Land (Surplus)

Mr. Cox: To ask the Secretary of State for Defence what is the present acreage of military land in the United Kingdom that is regarded as surplus to needs and will be offered for sale. [57434]

Mr. Spellar: The amount of land which my Department has in disposal changes constantly as some properties are sold and others are declared surplus to military requirements. However, we currently estimate that some 13,000 hectares of land is in disposal and more is likely to come forward as a result of the recent Strategic Defence Review.

Arm Sales (Turkey)

Mr. Cox: To ask the Secretary of State for Defence what has been the value of arms sales to Turkey by the United Kingdom in each of the last five years; and if he will list the equipment sold. [57474]

Mr. Spellar: My Department is currently working with the FCO and the DTI to assemble information in preparation for the Government's first Annual Report on Strategic Export Controls. The Report will include details of export licence applications for UK Military List items and details of such equipment exported with annual values. When the Report is issued I will also write to my hon. Friend in regard to the information requested for previous years and a copy of my letter will be placed in the Library of the House.

Defence Housing Executive (Scotland)

Mrs. Ewing: To ask the Secretary of State for Defence how many properties he estimates will be required by the Defence Housing Executive in Scotland to meet the needs of service personnel at 1 April *(a)* 1999, *(b)* 2000 and *(c)* 2005. [57036]

Mr. Spellar: The DHE are currently working on the figures:

(a) 1999: 5,661

(b) 2000: 5,354

(c) 2005: 5,104.

The 2005 assumptions are an estimate pending the full implementation of Strategic Defence Review recommendations.

Mrs. Ewing: To ask the Secretary of State for Defence what is the amount of rent/violent profits abated in respect of due rent in Defence Housing Executive properties in Scotland *(a)* in the financial year 1996–97, *(b)* in the financial year 1997–98 and *(c)* from 1 April 1998 to date. [57034]

Mr. Spellar: The amount of rent/violent profits abated is as follows:

(a) 1996–97: 0

(b) 1997–98: 0

(c) 1998–99: 10,000.

Mrs. Ewing: To ask the Secretary of State for Defence what plans the Defence Housing Executive has to *(a)* sell, *(b)* demolish and *(c)* otherwise dispose of housing stock in Scotland which it has identified as being surplus to requirements. [57037]

Mr. Spellar: The current plans are:

(a) To sell 352 properties

(b) To demolish 265 properties

(c) To lease 118 properties to a Housing Association.

The remainder of properties are being held both to maintain a management margin of vacant quarters and for refurbishment, and until the effects of the Strategic Defence Review are fully evaluated.

Mrs. Ewing: To ask the Secretary of State for Defence how many eviction orders have been awarded to the Defence Housing Executive in Scotland in *(a)* 1996, *(b)* 1997 and *(c)* 1998 to date. [57033]

Mr. Spellar: The following eviction orders have been awarded:

(a) 1996: 0

(b) 1997: 21

(c) 1998: 25.

Mrs. Ewing: To ask the Secretary of State for Defence how many evictions have been raised by the Defence Housing Executive in Scotland in *(a)* 1996, *(b)* 1997 and *(c)* 1998 to date. [57032]

Mr. Spellar: The number of evictions raised by DHE are as follows:

(a) 1996: 0

(b) 1997: 29

(c) 1998: 57.

Mrs. Ewing: To ask the Secretary of State for Defence how many Defence Housing Executive properties there are in Scotland; how many are presently occupied; how many of these are occupied by *(a)* serving forces personnel,

(b) former forces personnel, *(c)* the partners of serving and former forces personnel, *(d)* irregular tenants, *(e)* tenants and *(f)* others, under tenancy agreements. [57031]

Mr. Spellar: There are currently 6,091 Defence Housing Executive properties in Scotland.

(a) 4,092 properties occupied by serving forces personnel

(b) 57 properties occupied by former forces personnel

(c) 57 properties occupied by partners of serving and former forces personnel

(d) 114 properties are occupied by irregular tenants (The definition of Irregular Occupants is described at *(b)* and *(c)* i.e. former forces personnel and partners of serving and former forces personnel. The response at d is, therefore, the sum of *(b)* and *(c)*

(e) 165 properties are under other tenancy agreements.

Mrs. Ewing: To ask the Secretary of State for Defence how many unoccupied Defence Housing Executive properties there were in Scotland in *(a)* 1996, *(b)* 1997 and *(c)* 1998. [57035]

Mr. Spellar: The numbers of unoccupied properties in Scotland were as follows:

(a) 1996: 1,431

(b) 1997: 1,312

(c) 1998: 1,509.

VC10 Aeroplane Repairs

Mr. Maples: To ask the Secretary of State for Defence, pursuant to his answer of 19 October 1998, *Official Report*, column *891*, on VC10 aeroplane repairs, when the Parliamentary Under-Secretary of State will write to the hon. Member for Stratford-on-Avon. [57232]

Mr. Spellar: I expect to be able to write to the hon. Member shortly. The information is not held in the precise form requested and it might not be possible to provide the full financial information without incurring disproportionate cost. Considerable progress has been made but further interrogation of IT systems is required, particularly in respect of the value of spares consumed.

SCOTLAND

Salmon

Mr. Levitt: To ask the Secretary of State for Scotland if he will make a statement on the outbreak of an anaemia virus in farmed salmon. [56160]

Mr. Macdonald: Infectious Salmon Anaemia was first confirmed at a site in Loch Nevis on 16 May 1998. Since then the disease has been confirmed on a further 9 sites, the latest on 18 September. Eleven further sites are also formally under suspicion. There are 340 sites in Scotland involved in fish farming.

Measures designed to eradicate the disease are being carried out in strict accordance with EC and domestic legislation. As part of that, movement restrictions have been imposed on fish farms within an area of 40 km surrounding the confirmed and suspected sites.

The original cause of the outbreak has not yet been established but inquiries are continuing. Rigorous testing and surveillance are also being maintained and my Department is in close contact with the European Commission and with the Norwegian authorities, who have longer experience of the disease.

The Advisory Committee on the Microbiological Safety of Food has been invited to consider the risks for human health. It noted that there is no current evidence of any fish virus causing disease in humans, and that the ISA virus is unable to replicate at human body temperatures. It concluded that there is currently no evidence that ISA poses a risk to human health. This is consistent with experience in Norway and Canada.

Water and Sewerage Authorities

Ms Osborne: To ask the Secretary of State for Scotland if he will announce the external finance limits that will apply to the Scottish Water and Sewerage Authorities in 1999–2000 and in the following two years; and if he will make a statement. [57729]

Mr. Macdonald: The External Finance Limits (EFLs) for the 3 water authorities have been set at £206.904 million for 1999–2000. The allocation to each water authority will be: North Authority £51.000 million, East Authority £70.500 million, and West Authority £85.404 million.

Indicative EFLs for 2000–01 and 2001–02 have been set at £206.954 million and £208.018 million respectively. The indicative allocations for 2000–01 and 2001–02 will be: North Authority £40.000 million and £40.000 million, East Authority £76.000 million and £76.000 million, and West Authority £90.954 million and £92.018 million.

This settlement represents a significant real increase in the resources available to the industry, offering each authority greater sums for investment over the 3 year period than they planned for in their current corporate plans. It demonstrates the Government's commitment to securing the modernisation of the Scottish water industry.

Measles, Mumps and Rubella Vaccine

Mrs. Ewing: To ask the Secretary of State for Scotland (1) what assessment his Department has made of *(a)* the safety of the MMR vaccines and *(b)* the links the vaccines have with the development of autism in children; what representations he has received from abroad about the potential link with autism; what assessment he has made of the regulatory action which has been taken by other countries; and if he will make a statement; [56967]

(2) if he will assess the findings contained in the paper by Dr Andrew Wakefield published in *The Lancet* on MMR vaccinations. [56972]

Mr. Galbraith: Dr. Wakefield's paper has been considered by the Joint Committee on Vaccination and Immunisation and by a group of independent experts convened by the Medical Research Council on 23 March 1998 to consider the relevant evidence in view of suggestions that MMR vaccination was linked to autism and inflammatory bowel disease, especially Crohn's Disease. This group concluded, as had the Committee, that there was no evidence of any causal link. In the light of the Committee's views and the conclusions of the group of experts, the Chief Medical Officer for Scotland wrote to Health Boards and general practitioners on 27 March 1998 recommending strongly that parents

continue to have their children immunised with the MMR vaccine. My right hon. Friend has received no representations from abroad about the alleged link with autism.

Mrs. Ewing: To ask the Secretary of State for Scotland if he will introduce single vaccine components of MMR. [56976]

Mr. Galbraith: My right hon. Friend is advised on vaccination and immunisation policy by the Joint Committee on Vaccination and Immunisation. The Committee has not recommended the introduction of single vaccine components of MMR and he has no plans to do so.

Mrs. Ewing: To ask the Secretary of State for Scotland if he will establish a review of *(a)* the effectiveness of and *(b)* side effects from the most recent national MMR vaccination campaign. [56979]

Mr. Galbraith: MMR vaccination is now established as a normal component of the childhood vaccination programme. The safety and efficacy of all vaccines are kept under continuing surveillance by the Committee on Safety of Medicines and the Joint Committee on Vaccination and Immunisation.

Autism

Mrs. Ewing: To ask the Secretary of State for Scotland how many children below the age of five years were diagnosed as being autistic in each year since 1970. [56974]

Mr. Galbraith: This information is not held centrally.

HOUSE OF COMMONS

MPs (EU Travel)

Mr. MacShane: To ask the President of the Council if she will seek an increase in her Vote to allow hon. Members to travel once a year to each EU member state for the purpose of meeting members of national parliaments of EU member states. [57311]

Mrs. Beckett: Since the amount spent on the EU travel scheme at present is significantly less than the annual budget, any extension of the scheme would not require an increase in the Voted expenditure.

Mr. MacShane: To ask the President of the Council how many *(a)* Labour, *(b)* Conservative and *(c)* Liberal Democrat hon. Members took advantage of their right to annual travel to an EU institution in each year since 1994. [57310]

Mrs. Beckett: With the exception of Financial Assistance to Opposition Parties the financial records supporting the Members' Vote are not analysed by party. The information requested is not available and could be produced only at disproportionate cost.

The total number of Members who travelled to EU Institutions, analysed by financial year, is as follows:

1994–95: 93

1995–96: 97

1996–97: 77

1997–98: 89.

TREASURY

World War I Loans

Mr. Cash: To ask the Chancellor of the Exchequer if he will make a statement on Britain's debt owed to the US Treasury in respect of loans made during World War One; and what plans he has for repayment. [56940]

Ms Hewitt: At the end of World War I the United Kingdom was owed more by other nations than it owed to the United States. No payments have been made to or received from other nations since 1934.

Data Archive

Mr. Webb: To ask the Chancellor of the Exchequer, pursuant to his answer of 26 October 1998, *Official Report*, column 35, if he will make it his policy that hon. Members should be able to obtain without payment tabulations of data sets which have been paid for from public funds and which are available from the Data Archive. [57220]

Ms Hewitt: The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from Tim Holt to Mr. Steve Webb, dated 29 October 1998:

As Director of the Office for National Statistics (ONS) I have been asked to reply to your recent parliamentary question on the Data Archive.

The Data Archive is a national resource centre funded by the Economic and Social Research Council (ESRC) and the Joint Information Systems Committee (JISC). It is for the ESRC—which is outside of the Chancellor of the Exchequer's remit—to advise upon the charging policy for the Data Archive.

European Income Tax

Mr. Gibb: To ask the Chancellor of the Exchequer (1) if he will make it policy to veto any EU proposals regarding the introduction of a European income tax; [57123]

(2) if he will make it his policy to veto any EU proposals regarding the harmonisation of income tax rates. [57122]

Dawn Primarolo: The Government's firm view is that decisions on the rates and structure of income tax should remain a matter for national Governments. Decisions on European tax issues are subject to unanimity.

Charity Welfare Services (VAT Exemption)

Mr. Caplin: To ask the Chancellor of the Exchequer if he will announce the outcome of the review by Customs and Excise of the VAT exemption for charity welfare services. [57891]

Ms Hewitt: From today Customs and Excise will be consulting interested parties to agree the circumstances in which a wider range of charity welfare services will be exempt. Customs is reviewing its policy following a recent VAT and Duties Tribunal decision. This extended the definition of welfare services to include daily living tasks such as cooking, cleaning and laundry, where there was sufficiently high risk to the recipients' health because of their inability to perform these tasks safely themselves.

EU Taxation Policies

Mr. Mitchell: To ask the Chancellor of the Exchequer what is Her Majesty's Government's policy on the proposed European Union withholding tax on dividends. [57459]

Dawn Primarolo: The draft Directive deals with interest paid to individuals across national boundaries within the European Community. We are in favour of effective international action against tax evasion and are playing an active and constructive part in discussions on the draft Directive. But we have made it clear that we will not agree to any course of action which would seriously damage the UK and other European financial markets.

Tax Law Rewrite Project

Ms Lawrence: To ask the Chancellor of the Exchequer if he will make a statement on further developments on the Tax Law Rewrite project. [57734]

Dawn Primarolo: I am delighted to announce that the Tax Law Rewrite is making good progress. The Inland Revenue have today published a third Exposure Draft which rewrites the capital allowance provisions for industrial buildings. The rewritten legislation in this Exposure Draft will form part of the first Rewrite Bill. Copies have been placed in the Library of the House.

The Rewrite project aims to bring clarity and certainty to our direct tax legislation, and commands my continuing support. Consultation is the key to the success of the project. I would urge anybody with an interest in tax legislation to take this further opportunity to comment on the rewritten legislation while still in its formative stages. It is an excellent opportunity to influence the statute book of the future.

EDUCATION AND EMPLOYMENT

Reception Classes (Grants)

Mr. Allan: To ask the Secretary of State for Education and Employment what guidance he has issued to local education authorities in respect of the use of grants available to them under the Nursery Education and Grant-Maintained Schools Act 1996 and subsequent legislation, for children to be educated in primary school reception classes until the term in which they attain the age of five. [57218]

Ms Hodge: Funding is available through Revenue Support Grant and nursery education grant to provide three terms of early education before compulsory school age for all four-year-olds whose parents wish their children to take advantage of this. The places can be in the state, private or voluntary sectors, with the local Early Years Development Plan setting out where they will be secured. The Department has issued guidance on producing Early Years Development Plans and a document, "Requirements of Grant 1998–99", which sets out the eligibility criteria and conditions under which nursery education grant may be paid during the period April 1998 to March 1999.

Autism

Dr. Kumar: To ask the Secretary of State for Education and Employment what steps he is taking to ensure that every local education authority is ensuring that all parents of children with autism fulfil their statutory obligations of ensuring that their child receives an efficient and suitable full-time education either at school or otherwise by taking action through the courts; and if he will make a statement. [57055]

Mr. Charles Clarke: Section 7 of the Education Act 1996 specifies that the parent of every child of compulsory school age shall cause him/her to receive full-time education suitable:

(a) to his/her age, ability and aptitude, and

(b) to any special educational needs he/she may have, either by regular attendance at school or otherwise.

Schools and LEAs are also under a duty to identify children with special educational needs, including those with autistic spectrum disorders, and to make provision which meet the needs of individual children. In doing so, schools and LEAs must have regard to the statutory guidance contained in the Code of Practice on the Identification and Assessment of Special Educational Needs.

Where the authority is of the opinion that the child should attend school an LEA must by law serve a School Attendance Order (SAO) on the parent of a child of compulsory school age who fails to prove that the child is receiving suitable education.

Dr. Kumar: To ask the Secretary of State for Education and Employment what steps he is taking to ensure that every child with autism receives a relevant educational service; and if he will make a statement. [57050]

Mr. Charles Clarke: In practice, a child with autistic spectrum disorder is likely to be assessed as having special educational needs. The Education Act 1996 section 317 specifies that the Local Education Authority or governing body shall use their best endeavours, in exercising their function in relation to the school, to secure that, if any registered pupil has special educational needs, the special educational provision which his or her learning difficulty calls for is made.

Dr. Kumar: To ask the Secretary of State for Education and Employment what steps he is taking to ensure that every parent of a child of compulsory school age with autism is ensuring that their child receives an efficient and suitable full-time education either at school or otherwise; and if he will make a statement. [57054]

Mr. Charles Clarke: Section 7 of the Education Act 1996 specifies that the parent of every child of compulsory school age shall cause him/her to receive full-time education suitable:

(a) to his/her age, ability and aptitude, and

(b) to any special educational needs he/she may have, either by regular attendance at school or otherwise.

Schools and LEAs are also under a duty to identify children with special educational needs, including those with autistic spectrum disorders, and to make provision which meet the needs of individual children. In doing so, schools and LEAs must have regard to the statutory

guidance contained in the *Code of Practice on the Identification and Assessment of Special Educational Needs.*

Dr. Kumar: To ask the Secretary of State for Education and Employment what steps he is taking to issue specific guidance on educational services for autistic children; and if he will make a statement. [57052]

Mr. Charles Clarke: Guidance on educational services for children with autistic spectrum disorder is available on request from local education authorities. Information can also be obtained from the National Autistic Society.

Dr. Kumar: To ask the Secretary of State for Education and Employment what steps he is taking to ensure that every local education authority has sufficient funds to develop new services for autistic children; and if he will make a statement. [57053]

Mr. Charles Clarke: Each year the Government set out what it considers a reasonable and affordable level of spending on education, and ensures funding to local authorities for that amount. Education is a key priority for this Government. For financial year 1998–99, national funding for education is £1,107 million, or 5.7 per cent. higher than for 1997–98. The Comprehensive Spending Review will provide an increase of almost £10 billion a year by 2001–2002, an average increase of 5.1 per cent. in real terms in each of the next three years. Each local education authority is responsible for allocating its budget between and within services. In doing so it must secure that sufficient schools are available to provide the opportunity of appropriate education for all pupils, including those with special educational needs such as autistic spectrum disorder.

Mr. Loughton: To ask the Secretary of State for Education and Employment what measures his Department is taking to ensure that LEAs make appropriate provision for individual children with autism. [56639]

Mr. Charles Clarke *[holding answer 26 October 1998]:* The Education Act 1996 places schools and local education authorities under a duty to identify children with special educational needs, including those with autistic spectrum disorders, and to make appropriate provision for them. In doing so, schools and LEAs must have regard to statutory guidance contained in the *Code of Practice on the Identification and Assessment of Special Educational Needs.*

In the case of spectrum disorders like autism, provision can be made in specialist autism schools, other special schools, autism units at mainstream schools or in mainstream classes with support.

New Deal (Travel Concessions)

Mr. Jim Cunningham: To ask the Secretary of State for Education and Employment how many travel companies have so far pledged to offer concessions to those benefiting from the New Deal for young unemployed; and what plans he has to extend this service to other target groups. [57144]

Mr. Andrew Smith: The Association of Train Operating Companies (ATOC) have agreed to offer reduced fares to participants of New Deal for the 18–24 age group nationally. They will consider extending this to New Deal participants aged 25 and over once they have reviewed the 18–24 scheme.

There are a further 218 national and local agreements in place with bus and coach companies offering reduced fares for young people on New Deal. Of these, 95 have signed agreements to extend this facility to New Deal clients aged 25 and over. Negotiations are taking place regionally to extend agreements further for New Deal 25 plus.

Youth Employment

Mr. Green: To ask the Secretary of State for Education and Employment how many of those who moved from the New Deal for 18 to 24-year-olds to unsubsidised employment between April and September 1998 are no longer in work. [56044]

Mr. Andrew Smith *[holding answer 26 October 1998]:* The latest published figures show 15,830 young people leaving New Deal between April and August 1998, to go into unsubsidised employment. These figures exclude any who have returned to claim JSA within 13 weeks of leaving New Deal. We do not know yet how many, if any, have left their jobs but not returned to claim JSA. Our detailed evaluation of New Deal will enable us to produce more detailed information, such as this, once a full cohort of New Deal participants has completed its progress through the programme.

Unemployment (Lowestoft)

Mr. Blizzard: To ask the Secretary of State for Education and Employment what assessment he has made of the factors underlying recent trends in the level of unemployment in Lowestoft. [56760]

Mr. Andrew Smith: There are no ILO unemployment series for travel to work areas; so only claimant unemployment statistics can be presented.

In the Lowestoft and Beccles travel-to-work area, between September 1997 and September 1998 the claimant unemployment rate fell by 1.3 percentage points to 7.3 per cent; and the claimant count fell by 16 per cent. to around 3,180. The corresponding UK seasonally unadjusted figures were a fall of 0.6 percentage points in the claimant unemployment rate to 4.7 per cent. and a 12 per cent. reduction in the claimant count to around 1,334,275.

Because the data are seasonally unadjusted, it is not possible to assess the underlying trend month by month. However, over the last year unemployment in the Lowestoft and Beccles travel-to-work area continued to fall, reflecting steady growth in the economy and employment.

Intermediate Labour Markets

Mr. Jenkins: To ask the Secretary of State for Education and Employment what assessment his Department has made of the effectiveness of intermediate labour markets in reducing long-term unemployment. [56982]

Mr. Andrew Smith: The Department has commissioned the Institute for Employment Research to investigate current intermediate labour market

programmes, and what evaluation evidence exists about their effectiveness. The research is due to be published before the end of this year, and I will arrange for a copy to be placed in the Library.

The Government are interested in any measure that has the potential to help in tackling long-term unemployment. Elements of the intermediate labour market approach are included in our Welfare to Work programme, through Employment Zones, the New Deals for the young unemployed and people with disabilities and the pilots under the New Deal for adult long-term unemployed. All these initiatives will be fully evaluated.

Primary Schools (Entry)

Mr. Allan: To ask the Secretary of State for Education and Employment how many local education authorities in England and Wales maintain a system of three-point entry into primary schools. [57219]

Mr. Charles Clarke: The information is not collected centrally in the form requested. The dates of entry to infant classes are for an individual school's admission authority to determine. The admission authority for county and voluntary controlled schools is the local education authority, and for voluntary aided and grant-maintained schools it is the school's governing body. A number of local education authorities do operate a three-point entry system within their primary admission arrangements. The Secretary of State will shortly be issuing a consultative draft of a new, statutory Code of Practice on School Admissions. The Code is expected to advise that local admission arrangements should aim to meet the preferences of local parents as far as possible, and that local consultation should take place on the arrangements within admissions forums.

School Buses

Mr. Sutcliffe: To ask the Secretary of State for Education and Employment what assistance he will give to improving school transport and encouraging local authorities to extend the school bus pass system. [56214]

Mr. Charles Clarke *[holding answer 26 October 1998]:* In conjunction with the Department of the Environment, Transport and the Regions and the Department of Health, we have set up a School Travel Advisory Group to look at all aspects of home to school transport. This held its inaugural meeting, with a wide range of interested organisations, on 13 October and it will make recommendations in due course.

Infant Classes

Mr. Jim Cunningham: To ask the Secretary of State for Education and Employment what progress he has made in reducing class sizes for five, six and seven year olds. [57141]

Ms Estelle Morris: We expect to meet our class size pledge ahead of schedule. The School Standards and Framework Act 1998, which received Royal Assent on 24 July, places a duty on both local education authorities (LEAs) and governing bodies to limit the size of infant classes for 5,6 and 7 year olds to 30 or below by September 2001 at the latest—ahead of our Election pledge.

In January 1998 there were 485,000 infant pupils in classes over 30. In September 1998 the figure was 345,000 pupils. These figures show the effects of the allocation of the first tranche of class size funding—the £22 million allocated for 1,500 additional teachers from this September. We have also allocated £45 million to build some 600 extra classrooms to reduce class sizes. Following the Comprehensive Spending Review additional resources are available over the next three years to enable LEAs to meet the infant class size limit in nearly all schools by September 2000—18 months earlier than the Election pledge. A total of £620 million has been made available to deliver our infant class size policy.

LEAs are now in the process of submitting plans, for the Secretary of State's approval, setting out how they will implement the class size policy. We expect most of these to have been approved in early 1999.

Mrs. May: To ask the Secretary of State for Education and Employment how many additional full-time qualified teachers have been identified by local education authorities in their plans for reducing infant class sizes as being required to implement *(a)* the required reduction in infant class sizes in the school years 1999–2000 and 2000–01 and *(b)* measures required under paragraph 10 of the Schedule to the Education (Plans for Reducing Infant Class Sizes) (England) Regulations 1998. [56901]

Ms Estelle Morris: This information is not available as plans to reduce infant class sizes have not yet been received from all LEAs. Once the plans are received, officials in the Department will be discussing them in detail with authorities.

Mrs. May: To ask the Secretary of State for Education and Employment (1) how many of the extra teachers which his Department reported had been recruited as part of the programme to reduce infant class sizes were recruited *(a)* on completion of teacher training courses, *(b)* from previous teaching posts in primary schools, *(c)* from posts in infant schools in local education authorities who were not provided with grants for recruitment and *(d)* from other sources; [56663]

(2) how many teachers of infant classes were in post in September *(a)* 1997 and *(b)* 1998. [56664]

Mr. Charles Clarke: The information requested is not available centrally.

Educational Psychologists

Mr. Steinberg: To ask the Secretary of State for Education and Employment if he will list the real rates of increase in each educational psychologist's pay award since 1990. [56450]

Ms Estelle Morris: These matters are the responsibility of the Soulbury Committee which operates under the auspices of the Local Government Management Board (LGMB). The information requested is therefore not collected centrally.

First Schools

Jacqui Smith: To ask the Secretary of State for Education and Employment how many first schools in three-tier systems have *(a)* fewer than 100 pupils,

(b) between 100 and 200, *(c)* between 200 and 300, *(d)* between 300 and 400, *(e)* between 400 and 500 and *(f)* more than 500 pupils. [56740]

Ms Estelle Morris: The latest available information is shown in the following table.

Numbers of maintained first schools by size[1] in England in January 1998

Size of school (number of pupils)	*Number of schools*
less than 100	439
100 to 199	466
200 to 299	479
300 to 399	227
400 to 499	55
500 and over	8
Total	1,674

[1] Number of full-time pupils

Middle Schools

Jacqui Smith: To ask the Secretary of State for Education and Employment how many middle schools in three-tier systems have *(a)* less than 300, *(b)* 300 to 400, *(c)* 400 to 500, *(d)* 500 to 600, *(e)* 600 to 700 and *(f)* more than 700 pupils. [56739]

Ms Estelle Morris: The latest available information is shown in the table.

Numbers of maintained middle schools by size[1] in England in January 1998

Size of school (number of pupils)	*Number of schools*
less than 300	177
300 to 399	157
400 to 499	126
500 to 599	69
600 to 699	32
700 and over	11
Total	572

[1] Number of full-time pupils

Travellers' Children

Dr. Tonge: To ask the Secretary of State for Education and Employment what arrangements he has made to ensure that travellers' children receive education. [56708]

Mr. Charles Clarke: Schools receive funding for the education of Traveller children in the same way as for other pupils on the school roll. In addition, and in recognition of the particular educational needs of Traveller children, schools and LEAs can benefit from additional support through a specific grant payable under Section 488 of the Education Act 1996. In the current financial year this grant is supporting expenditure of some £10.7 million across 3,400 English schools, mainly providing additional specialist teacher support. The grant aims to improve levels of school attendance and achievement amongst Traveller children, including their full integration alongside other children in mainstream education.

Special Educational Needs

Dr. Cable: To ask the Secretary of State for Education and Employment what studies his Department has *(a)* conducted and *(b)* evaluated into the effects on children of special educational units being taught in (i) main-stream schools and (ii) special schools. [56722]

Mr. Charles Clarke: The 1997 Green Paper "Excellence for all children: meeting special educational needs" set out our view that there are strong educational, moral and social grounds for educating children with special educational needs with their peers. The great majority of consultation responses to the Green Paper supported the principle of inclusion for such children wherever possible. We have commissioned a small-scale research project to assess the relative costs, benefits and practical implications of educating children with moderate learning difficulties in mainstream and special schools, and expect to publish the project's findings later this year.

Music Therapy

Mr. Colman: To ask the Secretary of State for Education and Employment which Minister in his Department has responsibility for music therapy. [56192]

Mr. Charles Clarke: I have responsibility for special educational needs, including provision of therapy services.

Rural Students

Mr. Willis: To ask the Secretary of State for Education and Employment (1) what plans he has to ensure that students in rural areas are not excluded from further education or training because of transport costs; [56205]

(2) what plans he has to ensure that students in rural areas are not excluded from further education or training because of child care costs. [56204]

Mr. Mudie: We plan to introduce for September 1999 a new system of student support to replace discretionary awards which will be fairer and better targeted. Such a system will be responsive to individual needs such as transport and childcare and will take account of local circumstances. We expect to make an announcement on new arrangements before Christmas.

Help with the cost of childcare and transport is already available to young people in further education as part of the New Deal initiatives and through the National Childcare Strategy.

Training and Enterprise Councils

Mr. Cotter: To ask the Secretary of State for Education and Employment what percentage of national TEC expenditure in 1997–98 was allocated to *(a)* salaries and administration and *(b)* other activities. [56050]

Mr. Mudie: Based on the 1997–98 consolidated annual statutory audited accounts of 71 English TECs (out of a total of 73), the percentage of national expenditure allocated to *(a)* salaries and administration was 12 per cent. and *(b)* other activities was 88 per cent.

Mr. Cotter: To ask the Secretary of State for Education and Employment what were the relative percentages of national TEC expenditure during the first five years after establishment in relation to *(a)* training, *(b)* business support and *(c)* salaries and administration. [56057]

Mr. Mudie: The figures in the following table show the relative percentages of national TEC expenditure for the financial years ending 1995, 1996 and 1997 in relation to the headings requested as stated in the Department's appropriation accounts. Expenditure under these headings for previous years is not readily available.

Percentage of national TEC expenditure

			Percentage
	1994–95	*1995–96*	*1996–97*
Training	62	64	65
Business support	4	7	9
Administration	9	11	10

University Drop-outs

Mr. Willis: To ask the Secretary of State for Education and Employment what was the cost to the Exchequer of students who dropped out of UK universities in each of the years 1992 to 1997. [56200]

Mr. Mudie: The cost to the Exchequer of students who drop out from UK universities depends on factors such as the timing of drop outs within academic years, the level of public funding associated with individual courses, whether or not students transfer to other HE institutions and whether or not students return to HE at a later date. Figures for the cost are not compiled centrally.

Mr. Willis: To ask the Secretary of State for Education and Employment (1) if he will publish the drop-out rates for undergraduates in their first year of study at each UK university in the six most recent years for which figures are available; [56201]

(2) if he will publish the undergraduate drop-out rates for individual courses in each state-funded university in the six most recent years for which figures are available. [56202]

Mr. Mudie: Information on drop-out rates by year of study and individual course at each UK university is not compiled centrally. Measuring drop-out rates is complicated by the non-traditional routes that some students follow and which may include changing courses or institutions, repeating years or leaving HE for a year or more before continuing their studies. But work is currently being undertaken by the funding bodies in the UK to produce progression statistics for each institution. After a period of consultation with individual institutions, this is intended to lead to the publication next year of progression rates which will reflect drop-out and other causes of non-completion.

Children in Care

Mr. Kidney: To ask the Secretary of State for Education and Employment what progress his Department has made in ensuring that children in the care of local authorities receive the same standard of education as other children. [56068]

Mr. Charles Clarke: The Department is working closely with the Department of Health and statutory and voluntary agencies on a range of measures to improve the education of looked after children and raise the level of their attainments. The Government have announced in the National Priorities Guidance for Health and Social Care targets for the educational attainment of looked after children: that by 2001 at least 50% of children leaving public care should have achieved a GCSE or GNVQ qualification, and by 2003 at least 75% should have done so. The Department is requiring local education authorities to set their own targets in their Education Development Plans, and will expect individual authorities wherever possible to set themselves more challenging targets. In 1999–2000 the Department will be supporting LEA initiatives to improve the education of looked after children through the Standards Fund, and issuing guidance for schools and local authorities on how to increase their educational opportunities and attainments.

Skills Development Fund

Mr. Harvey: To ask the Secretary of State for Education and Employment when he will make an announcement on the make-up of the Skills Development Fund. [55697]

Mr. Mudie: The Secretary of State announced at the TUC Conference on 15 September 1998 a £38 million Regional Development Agency (RDA) Skills Development Fund including the new £5 million Rapid Response Fund to re-train those involved in large scale redundancies. Final guidance on the operation of the full RDA skills package will be issued to RDAs in February 1999.

INTERNATIONAL DEVELOPMENT

Environmental Assessments

Mr. Gareth R. Thomas: To ask the Secretary of State for International Development what action her Department is taking to encourage the *(a)* World Bank, *(b)* International Monetary Fund, *(c)* World Trade Organisation and *(d)* OECD to require environmental assessments before new funding or policy proposals are approved. [56771]

Clare Short: In our work with the multilateral agencies we advocate the support of national strategies for sustainable development and, as appropriate, promote and monitor the use of rigorous environmental appraisal in their projects and programmes.

The World Bank has long-standing Operational Policies covering environmental assessment of projects to help ensure they are environmentally sound and sustainable. One of the key policy recommendations agreed by donors at the replenishment of the Global Environment Facility (GEF) involves further progress by the World Bank—and other GEF implementing agencies—to integrate global environmental concerns in their country strategies, project design and policy advice. To take this forward the Bank is developing a Corporate Environment Strategy and related sector strategies for Energy, Forest Policy and Transport.

We support the International Monetary Fund aim of promoting high quality growth that is sustainable, results in a permanent reduction in poverty and greater equality of economic opportunity, and that is respectful of the environment.

The World Trade Organisation (WTO) is involved in projects through its technical co-operation funding which are designed to help developing countries (and countries in transition from centrally-planned economies) build capacity to operate successfully in the multilateral trading system. We support this work which aims to help build the necessary institutions and to train officials both on trade policy issues and effective negotiation. Environmental assessments of such activities are of limited relevance.

Trade and environmental policy issues have been a key area of discussion at the WTO. We support the incorporation of environmental concerns into economic policy, including trade. We are working, in close co-operation with the WTO, to help build capacity in developing countries to identify and protect their interests in the trade and environment debate.

The Organisation for Economic Co-operation and Development (OECD) does not administer programmes or projects in developing countries. However, its Development Assistance Committee's Working Party on Development Co-operation and Environment has published a range of guidance on environmental appraisal in donor organisations. This is incorporated into internal guidance and applied by bilateral donors, including the Department for International Development (DFID), as appropriate.

HOME DEPARTMENT

Asylum Seekers

Mr. Clappison: To ask the Secretary of State for the Home Department how many asylum cases were awaiting an appeal hearing *(a)* on 1 May 1997 and *(b)* at the latest date for which figures are available. [56170]

Mr. Hoon: I have been asked to reply.

On 1 May 1997 there were a total of 23,863 asylum appeals awaiting to be heard of which 23, 556 appeals were at the adjudicator tier and 307 appeals at the tribunal tier. On 1 October 1998 there were a total of 19,195 asylum appeals awaiting to be heard of which 17,802 appeals were at the adjudicator tier and 1,393 appeals at tribunal tier.

Young Offenders

Dr. Cable: To ask the Secretary of State for the Home Department (1) what percentage remand and convicted *(a)* young offenders and *(b)* juveniles in Feltham Young Offenders Unit were from ethnic minorities in the last quarter for which figures are available and each of the previous five years; [56726]

(2) what percentage of remand and convicted *(a)* young offenders and *(b)* juveniles in young offender units in England were from ethnic minorities in the last quarter for which figures are available and each of the previous five years. [56725]

Mr. George Howarth: The available information is given in the tables.

Receptions[1] of persons from ethnic minority groups as a percentage of all receptions, into remand centres and Young Offender Institutions in England, 1993–98

Year/custody type	Percentage from ethnic minority groups: Juveniles[2]	Young offenders[3]
1998 July to September		
Untried	16	16
Convicted Unsentenced	15	15
Sentenced	17	15
1997		
Untried	19	18
Convicted Unsentenced	18	15
Sentenced	17	16
1996		
Untried	19	18
Convicted Unsentenced	18	17
Sentenced	17	16
1995		
Untried	19	17
Convicted Unsentenced	17	15
Sentenced	14	13
1994		
Untried	16	15
Convicted Unsentenced	13	12
Sentenced	12	12
1993		
Untried	14	14
Convicted Unsentenced	12	12
Sentenced	12	10

[1] The table covers young offenders received at remand centres and young offender institutions. Some young prisoners are initially received at other establishments. In the period July-September 1998, 7 per cent. of receptions were at local prisons.
[2] Persons aged 15–17 years.
[3] Persons aged 15–20 years.

Receptions of persons from ethnic minority groups as a percentage of all receptions, into HMP Feltham, 1993–98

Year/custody type	Percentage from ethnic minority groups: Juveniles[1]	Young offenders[2]
1998 July to September		
Untried	47	49
Convicted Unsentenced	47	40
Sentenced	39	41
1997		
Untried	47	50
Convicted Unsentenced	46	46
Sentenced	39	42
1996		
Untried	50	49
Convicted Unsentenced	48	46
Sentenced	38	40
1995		
Untried	44	45
Convicted Unsentenced	42	41
Sentenced	30	36
1994		
Untried	45	43
Convicted Unsentenced	43	39
Sentenced	28	34

Receptions of persons from ethnic minority groups as a percentage of all receptions, into HMP Feltham, 1993–98

Year/custody type	Percentage from ethnic minority groups Juveniles[1]	Young offenders[2]
1993		
Untried	36	37
Convicted Unsentenced	31	33
Sentenced	28	29

[1] Persons aged 15–17 years.
[2] Persons aged 15–20 years.

Religious Persecution

Mr. Clappison: To ask the Secretary of State for the Home Department what research his Department has *(a)* commissioned and *(b)* evaluated into the incidence of assaults and other offences motivated by hostility based on the victim's membership of a religious group. [56837]

Mr. Boateng: No research of this type has been commissioned or evaluated.

We will, however, shortly be commissioning research into the nature and extent of religious discrimination in England and Wales. This may reveal information about religious hostility and the forms which it takes.

Mr. Trutch

Mr. Swayne: To ask the Secretary of State for the Home Department what discussions he has had with the Deputy Chief Constable of Hampshire regarding affidavits signed by Mr. Trutch. [56697]

Mr. Boateng: I have not had any discussions with the Deputy Chief Constable about this case. The Hampshire Constabulary has been given advice by the Home Office on how to register its interest with the Royal Court of Dubai in the outcome of the George Atkinson case, to which Mr. Trutch's affidavits are related.

In cases such as this, it would be usual for the police to register their interest with the Dubai Public Prosecutor, initially through Interpol. If the Hampshire Police were to investigate an allegation of perjury, the Crown Prosecution Service might prepare a formal request to the authorities in Dubai for assistance in gathering evidence.

Community Service Orders

Mr. Swayne: To ask the Secretary of State for the Home Department if he will take measures to increase public confidence in community service orders; and if he will make a statement. [56500]

Mr. Boateng: Community service is a very useful sentence. Offenders have to undertake demanding unpaid work for the benefit of the community; and each year about 6 million hours are worked in this way. As well as requiring offenders to make reparation to the community, community service also provides good opportunities for preventing repeat offending and increasing offenders' employability. We therefore want to see greater public awareness and appreciation of the contribution which community service can make to the criminal justice process. Among the measures we have in mind to bring about this aim are:

Better enforcement action by the probation service in the case of offenders who fail to comply with their orders. Prompt and consistent enforcement is a necessary condition for public confidence in all community sentences, and we shall shortly be giving the probation service new guidance on improved performance.

We plan to review National Standards for community service and other community sentences over the coming months, to ensure that they lay down the right expectations for the way in which these sentences are carried out.

We shall be considering, in the light of responses to our consultation document following the Prison/Probation Review, giving community service a new name which will help its purpose and nature to be more widely understood.

Police Pensions

Sir Teddy Taylor: To ask the Secretary of State for the Home Department if he will introduce legislation to ensure that the Police Pension Scheme provides a pension for the widow of a policeman who married after retirement from the Police Force but before 6 April 1978 as if the requirement of the Social Security Act 1975 applied prior to that date. [56721]

Mr. Boateng: We have no plans to do so. To extend retrospective changes to pensioners in the way suggested would be contrary to the principles of a contributory public service pension scheme.

Green Goddesses

Mr. Bob Russell: To ask the Secretary of State for the Home Department how many Green Goddess fire appliances there are; what is the age of the *(a)* oldest and *(b)* newest; and what plans he has to replace them with modern appliances. [57173]

Mr. George Howarth: There are 1,039 appliances. Their age ranges from 42 years to 45 years. There are no plans to replace them with modern appliances.

Coroners Courts

Mr. Laurence Robertson: To ask the Secretary of State for the Home Department what plans he has to reform the administration, operation and running of coroners courts; and if he will make a statement. [56565]

Mr. George Howarth *[holding answer 28 October 1998]:* The coroner service is a locally provided service. We have no plans to alter local authority responsibilities, although the efficiency and effectiveness of current arrangements are kept under review.

Refugees

Dr. Cable: To ask the Secretary of State for the Home Department what estimate he has made of the number of additional refugees resident and seeking assistance from local authorities in each London borough in *(a)* 1997 and *(b)* 1998 to date, divided into (i) single adults, (ii) families and (iii) unaccompanied adults. [56245]

Ms Jowell: I have been asked to reply.

Figures of asylum seekers supported by London boroughs are supplied to the Department weekly for adults and fortnightly for the other groups. The numbers of asylum seekers supported by London boroughs in the last week of 1997, and for the latest week in 1998 for which figures were provided, are:

Borough	Week ending 26 December 1997			Week ending 16 October 1998		
	Adults	Families	Unaccompanied children	Adults	Families	Unaccompanied children
Barking	75	43	n/a	408	139	n/a
Barnet	154	156	6	285	216	23
Bexley	17	21	n/a	61	32	67
Brent	389	164	10	840	262	122
Bromley	24	29	4	100	91	29
Camden	416	241	28	536	371	77
Corporation of London	17	2	0	32	9	9
Croydon	206	159	217	270	183	152
Ealing	347	151	6	254	186	3
Enfield	39	69	n/a	124	112	8
Greenwich	186	102	3	459	276	n/a
Hackney	548	230	8	684	294	n/a
Hammersmith and Fulham	284	130	40	542	275	94
Haringay	527	405	n/a	1,187	637	n/a
Harrow	124	178	1	182	85	3
Havering	8	4	0	50	7	5
Hillingdon	105	n/a	n/a	323	n/a	n/a
Hounslow	90	137	1	172	191	15
Islington	233	133	27	845	261	137
Kensington and Chelsea	390	115	67	622	173	81
Kingston upon Thames	45	31	2	90	56	123
Lambeth	480	255	21	799	421	95
Lewisham	422	140	6	757	329	70
Merton	60	69	11	175	128	38
Newham	647	581	n/a	919	978	n/a
Redbridge	52	118	7	157	178	36
Richmond	46	19	0	255	38	84
Southwark	202	332	28	424	532	57
Sutton	30	16	4	71	23	15
Tower Hamlets	155	50	7	156	83	2
Waltham Forest	208	139	4	511	249	15
Wandsworth	84	134	0	302	193	n/a
Westminster	580	227	92	610	319	190

PRIME MINISTER

Legislation (Language)

Mr. Levitt: To ask the Prime Minister if he will ensure that all future legislation is written in gender-neutral language. [57193]

The Prime Minister: The most important objectives in the language used in legislation are clarity and legal certainty. In general, the use of gender-specific language is not necessary in order to meet these objectives. But there are occasions when, for example, the use of gender-specific pronouns makes it possible for legislation to be expressed more simply, and so more clearly, than it otherwise could be. In these cases, section 6 of the Interpretation Act 1978 applies. It provides that, unless the contrary intention applies, words importing the masculine gender include the feminine, and vice versa.

Intelligence and Security Committee

Mr. Derek Foster: To ask the Prime Minister when he will respond to the Intelligence and Security Committee's annual report for 1997–98. [57852]

The Prime Minister: Yesterday I laid the Government response to the Intelligence and Security Committee's report before Parliament.

Tax Harmonisation

Mr. Gibb: To ask the Prime Minister (1) if he will make it his policy to veto any EU proposals regarding the harmonisation of income tax rates; [57124]

(2) if he will make it his policy to veto any EU proposals regarding the introduction of a European income tax. [57125]

The Prime Minister: The Government's firm view is that decisions on the rates and structure of income tax should remain a matter for national Governments. Decisions on European tax issues are subject to unanimity.

Mr. Heathcoat-Amory: To ask the Prime Minister what proposals for an EU-wide direct tax were discussed at the EU Council meeting in Portschach; and what his response was. [57199]

The Prime Minister: This was an informal meeting of the Heads at Portschach, in preparation for the full European Council in Vienna, at which a broad range of issues were discussed. No formal decisions were taken.

The Government's firm view is that decisions on the rates and structure of income tax should remain a matter for national Governments. Decisions on European tax issues are subject to unanimity.

EU Expenditure

Mr. Heathcoat-Amory: To ask the Prime Minister what proposals for additional EU expenditure were discussed at the EU Council meeting in Portschach; and what his response was. [57198]

The Prime Minister: This was an informal meeting of Heads, in preparation for the Full European Council in Vienna, at which no decisions were taken and a broad range of issues were discussed.

Ministerial Code

Mrs. Shephard: To ask the Prime Minister what recent assessment he has made of the compliance of *(a)* Ministers and *(b)* Parliamentary Private Secretaries with paragraph 46 of the Ministerial Code. [57113]

The Prime Minister: With regard to Ministers I refer the right hon. Member to the answer I gave to the hon. Member for Lewes (Mr. Baker) on 27 January 1998, *Official Report*, column *130*.

As paragraphs 44 and 46 of the Ministerial Code make clear, Parliamentary Private Secretaries are not members of the Government, and it is for Ministers to ensure that their Parliamentary Private Secretaries are aware of certain principles which should govern their behaviour in the House of Commons or in any speeches made outside the House.

NORTHERN IRELAND

Drumcree

Rev. Martin Smyth: To ask the Secretary of State for Northern Ireland if the person photographed on camera entering and leaving the field at Drumcree and shooting at Police lines has been *(a)* identified, and *(b)* charged. [55533]

Mr. Ingram: The RUC has not, to date, been able to identify the individual concerned but an investigation into the matter is continuing.

School Enrolments

Mr. John D. Taylor: To ask the Secretary of State for Northern Ireland what the enrolment *(a)* is this year and *(b)* was five years ago in each primary, secondary and grammar school in the constituency of Strangford. [56705]

Mr. Paul Murphy: 1998–99 enrolment figures are not yet available.

The information for 1997–98 and 1992–93 is as follows:

Strangford	*1992–93*	*1997–98*
(a) Primary schools[1]		
Abbey PS	485	598
Alexander Dickson PS	202	217
Andrew Memorial PS	496	519
Ballykeigle PS	56	57
Ballyvester PS	87	91
Ballywalter PS	135	165
Belvoir Park PS	259	304
Braniel PS	267	432
Cairnshill PS	414	527
Carrickmannon PS	78	80
Carrowdore PS	135	130
Castle Gardens PS	454	416
Comber PS	404	375
Donaghadee PS	393	486
Greyabbey PS	65	73
Killinchy PS	230	217
Kircubbin PS	59	79
Kirkistown PS	46	59
Leadhill PS	179	205
Londonderry PS	270	317
Lough View Integrated PS	—	169
Loughries PS	85	83
Maze PS	72	89
Millislie PS	168	150
Moneyrea PS	134	141
Newtownards Model PS	362	404
Newtownbreda PS	207	220
O'Neill Memorial PS	39	36
Portaferry Integrated PS	42	60
Portavogie PS	150	136
Regent House Preparatory Department	177	159
St. Anne's Primary	45	51
St. Finian's Primary	208	144
St. Mary's PS (Portaferry)	325	270
St. Mary's PS (Comber)	35	27
St. Mary's PS (Ballygowan)	64	45
St. Mary's PS (Kircubbin)	224	222
St. Patrick's PS	80	110
Victoria PS (Newtownards)	567	568
Victoria PS (Ballyhalbert)	105	101
West Winds Primary	208	196
(b) Secondary Schools		
Comber High School	487	452
Donaghadee High School	306	327
Glastry High School	528	582
Lagan College	811	964
Movilla High School	688	888
St. Columba's High	373	324
(c) Grammar Schools[2]		
Regent House School	1,413	1,422

[1] Includes pupils in reception and nursery classes at primary schools. Also includes pupils in preparatory departments of grammar schools

[2] Figures exclude preparatory department pupils

MacBride Principles

Mr. McNamara: To ask the Secretary of State for Northern Ireland if she will list the *(a)* states and *(b)* cities of the United States which introduced legislation seeking to implement the MacBride Principles following representations from Her Majesty's Government not to do so, indicating (i) whether the representations were made *(a)* in writing and *(b)* verbally and (ii) whether there was an inquiry where witnesses were subject to cross-examination and in which years; and which states and cities decided not to implement such legislation following representations from Her Majesty's Government. [55632]

Mr. Ingram: Information in the form requested is not readily available and could be provided only at disproportionate cost.

Mr. McNamara: To ask the Secretary of State for Northern Ireland if it is currently the policy of Her Majesty's Government to advise states and cities in the United States against legislating to implement the MacBride Principles. [55631]

Mr. Ingram: Yes, where possible and appropriate. The Government's view is that Fair Employment legislation in Northern Ireland renders unnecessary any reference to the MacBride Principles in legislation in the USA. Furthermore, the way in which the campaign in support of MacBride Principles is conducted could be a disincentive to the investment from the United States needed to reduce unemployment in both communities in Northern Ireland.

Presidential Visit (Costs)

Mr. Peter Robinson: To ask the Secretary of State for Northern Ireland what was the cost incurred for Northern Ireland Office staff associated with the recent visit of President Clinton and his wife to Northern Ireland in September 1998. [57127]

Marjorie Mowlam: The information requested is not readily available and could be provided only at disproportionate cost.

CABINET OFFICE

People's Panel

Mr. Derek Twigg: To ask the Minister for the Cabinet Office when he intends to publish results from the People's Panel. [57673]

Dr. Jack Cunningham: I am pleased to announce that the People's Panel, made up of 5,000 people from across the UK, has now been set up. The Panel will be used to find out what members of the public think about the services for which they pay. It is further evidence of this Government's commitment to listen to people in framing its policy for improving public services.

I have today placed in the Libraries of the House a copy of the results from the first wave of research conducted with the Panel.

Buying Agency

Mr. Best: To ask the Minister for the Cabinet Office when the next review of the Buying Agency will be conducted. [57737]

Mr. Kilfoyle: I have decided that the first stage of the quinquennial review of The Buying Agency (TBA), an evaluation of its performance from 1994 to 1998, should commence immediately. The second stage, the reconsideration of the prior options, is expected to start early next year. The review is expected to be complete by the early summer next year.

Anyone with an interest in TBA and its work who has any comments or suggestions on the Agency's performance should contact David Smith at the Cabinet Office Agencies Unit, Room 206, Ashley House, 2 Monck, Street, London SW1P 2BQ (Tel: 0171 276 2758/Fax: 0171 276 2739) by 8 January 1999.

Office of the Parliamentary Commissioner for Administration

Mr. Borrow: To ask the Minister for the Cabinet Office when he will publish the latest recruitment statistics for the Office of the Parliamentary Commissioner for Administration; and if he make a statement. [57733]

Mr. Kilfoyle: Figures showing the statistics for the recruitment campaigns held during 1997 for the Office of the Parliamentary Commissioner for Administration are set out in the table.

	Senior civil service		*Band D*		*Band B*		*Band A*		*Total*	
	Male	*Female*	*Male*	*Female*	*Male*	*Female*	*Male*	*Female*	*Male*	*Female*
Total	1	—	—	1	1	1	2	5	4	7
White	1	—	—	—	—	—	2	—	3	—
Non-white	—	—	—	—	—	—	—	2	—	2
Disabled	—	—	—	—	—	—	—	—	—	—
No form returned	—	—	—	1	1	1	—	3	1	5

The Office of the Parliamentary Commissioner for Administration is covered by the Civil Service Order in Council 1995 which requires that all departments and agencies should recruit on the principles of fair and open competition and selection on merit in accordance with the Civil Service Commissioners' Recruitment Code. The office ensures that all recruitment is conducted on this basis and that all recruitment is subject to internal audit and review by the Civil Service Commissioners.

The Office is required to report the number of occasions on which the permitted exceptions to fair and open competition and selection on merit were used at each level (except for appointments up to 12 months). The only exception the Office has made is to convert a number of short-term appointments to permanent posts in Bands D and E, where the initial publicity did not state that such appointments could be so converted. This was done as a result of an increase in workloads and organisational changes.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Multilateral Agreement on Investment

Mr. Dafis: To ask the Secretary of State for the Environment, Transport and the Regions what guidance he has issued to regional development agencies concerning the implications for them of the proposed Multilateral Agreement on Investment. [56157]

Mr. Meale: None.

Kyoto Agreement

Dr. Lynne Jones: To ask the Secretary of State for the Environment, Transport and the Regions what discussions he has held with his US counterpart on the likely date for US ratification of the Kyoto agreement. [56511]

Mr. Meale: My right hon. Friend has had a number of bilateral and multilateral discussions with his US counterpart on the important question of US ratification of the Kyoto Protocol to the Framework Convention on Climate Change.

A40

Mr. Nigel Jones: To ask the Secretary of State for the Environment, Transport and the Regions (1) if he expects to implement the de-trunking of the A40 through Cheltenham before improvements are made to the alternative A436 route; and if he will make a statement; [56405]

(2) what assessment he has made of the impact of the proposals in the trunk roads review on the number of vehicles entering Cheltenham on the A40 from *(a)* the east and *(b)* the west; and if he will make a statement. [56404]

Ms Glenda Jackson: As a result of the Roads Review it is proposed to detrunk the whole of the A40 from the M40 westward to Ross-on-Wye. The timing of detrunking will be subject to consultation and agreement with the local highway authorities. The administrative act of detrunking will have no impact on A40 traffic flows through Cheltenham, but Gloucestershire County Council, who will become responsible for the section through the town, will be able to consider measures to reduce the amount of through traffic. They are the highway authority for the A436 and, as such, responsible for determining the need for any improvements to that road.

Repossessions

Mr. Kidney: To ask the Secretary of State for the Environment, Transport and the Regions what discussions he has had with housing groups concerning the levels of repossession cases for *(a)* mortgage arrears and *(b)* rent arrears. [56703]

Mr. Raynsford: No recent direct talks have been held with housing groups concerning the level of repossessions. The Council of Mortgage Lenders and the Association of British Insurers have developed proposals for the better protection of home buyers, including improved mortgage payment protection insurance. Groups such as Shelter and the National Association of Citizens Advice Bureau were consulted.

Mr. Kidney: To ask the Secretary of State for the Environment, Transport and the Regions what proposals his Department has to amend the laws relating to house repossession to reduce the levels of possession cases for *(a)* mortgage arrears and *(b)* rent arrears. [56702]

Mr. Raynsford: None. The Council of Mortgage Lenders and the Association of British Insurers have presented proposals for securing better protection for home buyers by means of improved insurance products, improvements in the way these products are sold, and better integration with state support. Ministers are considering these proposals.

Seat Belts (Buses)

Mr. Paul Marsden: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to make the wearing of seat belts by passengers compulsory on all buses. [56457]

Ms Glenda Jackson: The Department encourages the wearing of seat belts in all vehicles wherever they are fitted. There are no present plans to make the wearing of seat belts by passengers compulsory in all buses (including coaches and larger minibuses) where they are required to be fitted.

At present, unless groups of children are being carried on organised trips, there is no requirement for seat belts to be fitted in the rear seats of minibuses or the unexposed rear seats of coaches. Seat belts for passengers are not required to be fitted in other types of bus, mainly the type used on local bus services. That is because the seats and floors are generally not suitable to be so fitted, or to take the loads that a seat belt would exert in a crash, without major modification.

The law requires that passengers in small minibuses (those with an unladen weight of 2540kg or less) must wear seat belts where they are fitted. However, wearing is not a requirement in larger minibuses and coaches because of problems of enforceability.

Tyneside Metro

Mr. Mullin: To ask the Secretary of State for the Environment, Transport and the Regions when he expects to give formal approval for the extension of the Tyneside metro to Sunderland; and if he will make a statement. [56902]

Ms Glenda Jackson: The application for an Order under the Transport and Works Act 1992 to authorise the Sunderland extension was considered at a public inquiry at the beginning of this year. The Inspector's Report of the inquiry is being considered in the Department and the Secretary of State hopes to announce his decision, on whether the Order should be granted, shortly. Tyne and Wear PTA's application for financial support for the extension is also under active consideration by my Department.

Freight (Shrewsbury to Aberystwyth)

Mr. Öpik: To ask the Secretary of State for the Environment, Transport and the Regions (1) what assessment his Department has made of the potential for increasing the level of freight on the Shrewsbury to Aberystwyth line; and if he will make a statement; [56920]

(2) what has been the level of freight traffic on the Shrewsbury to Aberystwyth line during each of the last three years; and if he will make a statement. [56919]

Ms Glenda Jackson: I understand from Railtrack that there has been no freight traffic on the Shrewsbury to Aberystwyth line in the last three years, because of capacity and structural problems. The company also tells me that it has received no expressions of interest from any potential freight customers in a freight service on the line.

The Government have made substantial sums available for freight grants, which are designed to assist companies in moving freight from road to rail. The spend on such grants was doubled to £30 million in our first year in office and the budget for the current year was increased further to £40 million. In launching the Integrated Transport White Paper in July, the Deputy Prime Minister made it clear that still further money would be found for

these grants, if there was demand. Nevertheless, it is for the commercial railway interests or freight customers to propose schemes and make application for grants.

Thames Barrier

Mr. Pond: To ask the Secretary of State for the Environment, Transport and the Regions what amount of the cost of repairing the damage to the Thames barrier following the incident involving the Sand Kite was met from public funds. [56737]

Ms Glenda Jackson: At present all costs have been met from Environment Agency funds as a settlement has yet to be reached with the Sand Kite's owners. The claim may be subject to a limitation of liability under the Merchant Shipping Act 1995. Legal opinion is currently being sought over whether other options for reclaiming costs exist and negotiations are continuing in order to obtain a satisfactory outcome.

Arco Arun

Mr. Pond: To ask the Secretary of State for the Environment, Transport and the Regions if he will authorise an investigation into the incident involving the dredger Arco Arris; and if he will make a statement. [56734]

Ms Glenda Jackson: I believe my hon. Friend's question relates to the vessel Arco Arun. An investigation into the incident involving the Arco Arun is being undertaken by the Marine Accidents Investigation Branch which will report its findings in due course. The PLA is co-operating fully with the MAIB investigation in addition to conducting its own formal investigation as required by the Pilotage Act 1987.

Mr. Pond: To ask the Secretary of State for the Environment, Transport and the Regions if the dredger Arco Arris which recently ran aground in the Thames had a qualified river pilot on board at the time. [56735]

Ms Glenda Jackson: I believe my hon. Friend's question relates to the vessel Arco Arun. The Port of London Authority was informed, when the Arco Arun entered the port limits on 13 October, that pilotage was being conducted by a holder of a valid Pilotage Exemption Certificate.

Mr. Pond: To ask the Secretary of State for the Environment, Transport and the Regions what amount of the cost of the salvage operation involving the Arco Arris will be met from public funds. [56736]

Ms Glenda Jackson: I believe my hon. Friend's question relates to the vessel Arco Arun. The costs of salvaging the Acro Arun lie with the vessel owners. Should the vessel be abandoned, the PLA has powers under the Port of London Authority Act 1968 to require the vessel to be removed and to recover the full costs from her owners.

Mr. Pond: To ask the Secretary of State for the Environment, Transport and the Regions if he will urge the Port of London Authority to review PLA Pilotage Directive No. 5 following the incident involving the Arco Arris dredger. [56733]

Ms Glenda Jackson: I believe my hon. Friend's question relates to the vessel Arco Arun. I understand that PLA Pilotage Direction No. 5 does not apply to vessels of the type and length of the Arco Arun. We expect all harbour authorities responsible for pilotage to keep their arrangements under regular review.

Construction Exports

Mr. Alan Simpson: To ask the Secretary of State for the Environment, Transport and the Regions which directorships the head of the Construction Export Promotion and Materials Sponsorship Division holds. [56922]

Mr. Raynsford: The Head of the Construction Export Promotion and Materials Sponsorship Division has been a Non-Executive Director of The Building Centre Group Limited since 21 January 1998. The appointment does not attract any remuneration and was considered and approved in advance by the Department.

The Building Centre is the major permanent exhibition and information centre for the UK building materials industry.

Mr. Alan Simpson: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the countries the Minister for London and Construction has led trade missions to since 1 May 1997; which representatives of British industry accompanied him; and what business has been secured as a result. [56930]

Mr. Raynsford: The countries visited and the business representatives who took part are as follows:

	Business representatives
Jordan/Egypt—4 to 9 October 1997	
Balfour Beatty International	Colin Ostler
British Arab Commercial Bank	Mohamed Fezzani
Clyde & Co.	Niamh Burke
Hammond Suddards	David Jones
HSBC Investment Bank	Declan Hegarty
IHS International Hotel Services	Howard Gaunt
John Laing International Cairo	James Lawday
Kvaerner Construction	Robin Blackmore
McNicholas Construction	Kevin McNicholas
Mott MacDonald International	Chris Ecob
Paribas	Andy Simpson
Tarmac Heavy Building Materials Overseas	Simon Taylor & Steven Jones
Taylor Woodrow	Mike Kelly
Thames Water International	Emilio Gabrielli
Wintersgill & Faulkner	Matthew Wintersgill

	Business representatives
Poland—19 to 23 January 1998	
Jan Bobrowski & Partners Consulting Engineers	Aleksander Bobrowski
CU Phosco Lighting	Stephen Brickenden
WS Atkins	David Howell
Gibb	James Dawson
Mott MacDonald Group	Mario Donnetti
Gardiner & Theobald	Keith Rogers
Biwater Treatment	Phil Rudd & Richard Thomson
Maunsell	Ed Plewa
Barlow Greeves Associates International	Christopher Barlow & Gina Barlow
Taywood Engineering	Ray Elliott
Tarmac Heavy Building Materials Overseas	Simon Taylor
Kvaerner Construction	Cahit Atasoy
McNicholas Construction Group	Barry McNicholas
Montgomery Watson	Matthew Leonard
Bovis Construction Group	Henry Liszka
Brown & Root	Ian Chorlton
Buro Happold	Padraic Kelly
Messrs Sandberg	Neil Sandberg
Ove Arup & Partners International	Richard Thurlow
PMI Polska SP. ZO.O.	Alexander McMillan
Philippines—16 to 19 March 1998	
ABS Consulting	Jim Ure
ARC South Wales	Chris Hobbs
Ashurst Morris Crisp	Clive Tucker
Asia Halcrow	Ian Rowden
Cameron McKenna	Julian Hill
Conren International	Bernard Dennis
Dawson Construction Plant Asia	Julian Dawson
First Philipine Balfour Beatty	Alistair Kennedy
Franklin & Andrews (Hong Kong)	Jeremy Newton
Gibb	Tony King
H R Services	Phil Pardoe
HR Wallingford Group	Dr. John Weare
John Laing International	John Lockwood
Lagan Asia Pacific	Peter Long
Linklaters	Simon Davies
Mivan	Mervyn McCall
Mott MacDonald Group	Dr. Bernard Waterworth
Sterling Lloyd	Matthew Sanderson
Transport Research Laboratory	Michael O'Connell
Taylor Woodrow Construction	Bruce Russell & John Chesworth
Egypt—6 to 10 September 1998	
WS Atkins International	David Howell
Balfour Beatty International	Colin Ostler
British Arab Commercial Bank	Mohamed Fezzani
British Consultants Bureau	Rory O'Connor
British Standards Institution	Tom Harland
British Steel	Gareth Reece
Conren International	Bernard Dennis
Ecocolour	Paul Paschali & Roger Lord
Enron International	John Bannerman
EC Harris	John Bacon
High-Point Rendel	Nelson Ogunshakin
HR Wallingford Group	Stephen Huntington
John Laing International Cairo	James Lawday
Kvaerner Cementation Foundations	Colin Courtney
Llewelyn Davies	Kenneth Cooke
Montgomery Watson	Peter Lawrence
Mott MacDonald International	Tony Emes
Ove Arup & Partners	Keith Seago & Johnny Ojeil
Parkman	Roger Pearce
John Reid & Sons	Rollo Reid
Sterling Lloyd	Mehrdad Paykazani
Stramit International	John Mosesson
Taylor Woodrow Construction	Dennis MacDaid
Thames Water International	Dreda Gaines
United Bank of Kuwait	Christopher Somes-Charlton
WRC (Water Research Centre)	Stephen Ramsey
Wintersgill & Faulkner	Matthew Wintersgill

	Business representatives
Brazil—12 to 16 October 1998	
Anglian Water International	Harry Rowlands
Bovis Brasil	Denis Carter & Ossie Falconar
Kvaerner	Ramon Coo & Charles Hardeman
Linklaters	Edmundo Nejm
Taylor Woodrow Construction	Bruce Russell
Thames Water International	Cesar Seara & Emilio Gabbrielli
British Consultants Bureau	Nigel Peters
Buro Happold	Padraic Kelly
Control Risks	Mark Sorby, Joshua King & Robert Froudie
High Point Rendel	Derek Fletcher
IMC Group	John Hughes
Kennedy & Donkin	David Colvin
Knight Piesold	Peter Garratt
Lindapter International	Ian Larner
Mott MacDonald	Don Moore
Ove Arup Partnership	Ray Crane
Individual Consultant	Robert Dowding

No limit was placed on the number of companies able to participate in these trade missions and every company which expressed an interest in taking part was given the opportunity to do so.

Securing contracts in construction and civil engineering can be a very protracted business and it is rare for orders to flow quickly or solely as a result of contacts made during trade missions overseas. There is no obligation on the part of participating companies to report contracts won or under discussion. However, feedback from the accompanying business representatives has been consistently positive about the value of the information they have gained on markets and particular opportunities and about the number and quality of the business contacts that have been established.

Mr. Alan Simpson: To ask the Secretary of State for the Environment, Transport and the Regions which British companies the Construction Export Promotion and Materials Sponsorship Division has been able to assist with securing orders abroad since 1 May 1997; and if he will list the materials which have been exported as a result. [56932]

Mr. Raynsford: The Construction Export Promotion and Materials Sponsorship Division provides assistance to exporters in a variety of different ways including trade missions, briefing seminars, publications and market reports. Press reports of the Division's activities, such as trade missions, can also be instrumental in alerting companies to particular markets and opportunities. Exporters will use this information alongside that provided by other organisations, such as Overseas Trade Services, to form a view about market opportunities and whether to pursue particular export orders. It is not therefore possible to provide a list of British companies which have been assisted in securing export orders by the Division's activities alone or of the materials which have been exported as a result.

Public Appointments

Mr. Vaz: To ask the Secretary of State for the Environment, Transport and the Regions if he will publish the names of those people he has appointed to public bodies since 1 May 1997, indicating the positions to which they have been appointed and whether they receive remuneration. [56809]

Mr. Meale: The information requested has been placed in the Library of the House.

Energy Saving

Ms Blears: To ask the Secretary of State for the Environment, Transport and the Regions what research he has evaluated on the role of low-emissivity glass in helping to reduce energy consumption in buildings. [55081]

Mr. Meale: The Department, through the Partners in Technology programme, has sponsored research into the thermal performance of glazing systems. This work has confirmed that low-emissivity glazing, used in conjunction with high performance framing systems, provides the potential for significant energy savings. The Department also monitors research carried out by other bodies including manufacturers, trade associations and universities.

The Department promotes the use of low-emissivity double glazing under the Energy Efficiency Best Practice programme.

Home Improvement Agencies

Mr. Burgon: To ask the Secretary of State for the Environment, Transport and the Regions how many responses were received to his Department's consultation paper on the funding of home improvement agencies; how many were (i) in favour of the proposal to include funding in revenue support grant without ring fencing and (ii) against; and by how much each local authority will *(a)* gain and *(b)* lose at the end of the three-year period if the proposals are implemented. [57308]

Ms Armstrong: We received 202 responses to the consultation paper. 15 respondents fully supported the proposal to include funding in the revenue support grant programme (RSG) without ring fencing, with 184 respondents against.

It is not possible to say precisely how much each local authority would gain or lose after three years if funding was provided through RSG because funds are allocated formulaically on the basis of indices which can change each year. However, the 164 authorities currently in receipt of grant for home improvement agency services

would each lose about £10,400 on average. The other 225 authorities would each gain about £11,500 on average.

Ms Moran: To ask the Secretary of State for the Environment, Transport and the Regions if he has concluded his consideration of responses to the Government's consultation paper on the funding of home improvement agencies; and if he will make a statement. [57732]

Ms Armstrong: Our consultation paper set out proposals for giving local authorities a greater say in decisions on the funding of home improvement agencies, as part of our overall aim of increasing local democracy and improving services for local people. We have received over 200 responses to the paper. The majority expressed support for a greater local say, but a large number of respondents expressed concern about the proposal to transfer resources from specific grants into local authorities' revenue support grant. Respondents were particularly concerned that this could divert resources from authorities who currently choose to support an agency, to those who do not.

In the light of these comments, we have considered very carefully whether there is an alternative mechanism which allows us to achieve our objectives while avoiding these potential problems. We have concluded that, within the present funding framework, the best way ahead is to retain an element of specific central grant, which would be made available only if the local authority agreed to provide funding itself. Subject to the availability of resources, the grant would be paid up to a level which would match the amount provided to the agency by the local authority and its funding partners. In this way, the primary decisions on support for agencies will be taken by local authorities, rather than by central government.

We propose to introduce this 'matched funding' approach without delay. Letters explaining the details of the arrangements and inviting bids for funding for next year will go out to local authorities shortly. In order to give greater certainty to agencies, funding will generally be for three years. Meanwhile we will continue to explore how the funding arrangements might develop in the context of our longer term strategies for improving the local delivery of services to elderly and vulnerable people.

Biodiversity

Mr. Jim Cunningham: To ask the Secretary of State for the Environment, Transport and the Regions (1) what plan he has to develop a national strategy for the conservation and sustainable use of biological diversity; [57145]

(2) what steps he has taken to encourage the pursuit of the Government's biodiversity objectives on land managed by Government agencies; and what steps he has taken to encourage local authority biodiversity action plans; [57146]

(3) what steps he has taken to encourage biodiversity-friendly business practices. [57147]

Mr. Meale: "Biodiversity: The UK Action Plan" the national strategy for the conservation and sustainable use of biological diversity was published in January 1994. This strategy and the UK Biodiversity Steering Group Report published in December 1995 contain the measures aimed at maintaining and enhancing biodiversity within the UK. At the heart of these measures is the development of costed action plans for priority species and habitats. 116 species and 14 habitat action plans were published as part of the Steering Group report and are now being implemented. A further 56 species action plans were published on 2 June. We expect to publish a further 10 habitat action plans in December and a further 256 species and 16 habitat plans early in 1999.

The consultation paper on improving the protection of Sites of Special Scientific Interest, issued on 10 September, sought views on the proposal that we should provide legislative backing for the Government's own commitment to the better management of SSSIs, and to the delivery of biodiversity objectives. We will carefully consider all responses to this proposal.

The Highways Agency provides one example of the delivery of government policies for biodiversity on its network, in partnership with other landowners and wildlife interest groups. Management strategies for landscape management and biodiversity will be developed as current surveys of landscape and ecological elements of the highway estate are completed.

The UK Biodiversity Group and the Local Agenda 21 Steering Group have jointly issued five guidance notes on the preparation of local biodiversity action plans to all local authorities. Case studies on the preparation of such plans are currently being finalised and it is hoped to issue these to all local authorities by the end of the year.

In May the Government co-operated with the UK Round Table on Sustainable Development in launching the booklet "Business and Biodiversity", which explains how businesses can integrate biodiversity into environmental management systems. Some 18,000 copies of the guide have been distributed to date. The guide is a product of a wider report on "Integrating Biodiversity into Management Systems" by the Round Table. The Government have today published a positive response to that report, accepting the thrust of the Round Table's recommendations, particularly those on keeping business abreast of national and local biodiversity work.

The consultation document "Making Biodiversity Happen", published in June as part of the review of the Sustainable Development Strategy, contained a major section on how business might become more involved in biodiversity at local and plant level, as well as nationally. We have received over 360 responses to the consultation document and are currently considering how to feed these into the revision of the Sustainable Development Strategy and the work of the UK Biodiversity Group.

West Midlands (Freight)

Mr. Jim Cunningham: To ask the Secretary of State for the Environment, Transport and the Regions what proposals he has received to improve the shipment of goods from the West Midlands. [57138]

Ms Glenda Jackson: Railtrack has for some time been considering an upgrade of the West Coast Main Line to accommodate "Piggyback" rail freight. The project would be likely to require substantial Government grant. Railtrack has not yet made a grant application.

West Midlands (Public Transport)

Mr. Jim Cunningham: To ask the Secretary of State for the Environment, Transport and the Regions what proposals he has received to improve public transportation in the West Midlands. [57139]

Ms Glenda Jackson: I have received a number of proposals for improving public transport in the West Midlands from West Midlands local authorities in their bids for local transport capital finances for 1999–2000.

Vehicle Emissions

Mr. Jim Cunningham: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on his plans to reduce the level of carbon dioxide and other noxious gases in the atmosphere from motor vehicles in the United Kingdom. [57140]

Ms Glenda Jackson: On Monday of this week we published a consultation paper seeking views on policy options to meet our climate change commitments. The paper made it clear that we aim to develop a climate change programme where all sectors, including transport, play a balanced part.

The Government are already pursuing a number of measures which will help to reduce the level of carbon dioxide emissions from new cars and the entire car fleet. In the last Budget on 17 March 1998, *Official Report*, columns 1097–112, the Chancellor announced our commitment to the continuation of the fuel duty escalator raising fuel prices by 6 per cent. per annum in real terms, and plans to graduate vehicle excise duty to encourage more fuel efficient cars. These measures will encourage drivers to purchase more fuel efficient vehicles as well as use fuel more efficiently.

We also strongly support the Commission's Strategy on CO_2 from cars which aims to reduce the emissions of CO_2 from new cars sold in the EU to an average of 120 grammes per kilometre, by 2005 or 2010 at the latest. A substantial proportion of this reduction will come from the voluntary agreement which the Commission has recently secured with the car industry. This will reduce the average emissions from new cars sold in the EU by around 25 per cent. by the year 2008.

We have also set up the Cleaner Vehicles Task Force which aims to create a partnership between the Government and the private sector to promote environmentally friendly vehicles which people actually want to drive and buy. The Task Force will encourage the production, marketing and sales of vehicles which are cleaner and more fuel efficient.

The measures contained in the Transport White Paper will also play an important role by delivering a properly integrated transport system for the UK and reducing dependence on the car.

Public Transport (Social Exclusion)

Mr. Jenkins: To ask the Secretary of State for the Environment, Transport and the Regions what research his Department has *(a)* commissioned and *(b)* evaluated into the links between public transport and social exclusion. [56981]

Ms Glenda Jackson: We are shortly to commission research into the links between public transport and social exclusion. The research will seek to establish the level of exclusion from public transport, identify the factors which discourage different groups from using it, examine the initiatives to encourage new passengers and propose a range of initiatives to encourage ridership among excluded groups. The results of the research will be available in late 1999.

Limestone Pavement

Mr. Pickthall: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to control the extraction and sale of limestone pavement. [56914]

Mr. Meale: Our consultation paper, *SSIs—Better Protection and Management*, invites comments on options for further protection for limestone pavement. We have also asked the group responsible for the Biodiversity Action Plan for limestone pavement, for information on the extent of trade.

A140 (Suffolk)

Mr. Ruffley: To ask the Secretary of State for the Environment, Transport and the Regions how many accidents have occurred on that part of the A140 located in Suffolk since May 1997. [57197]

Ms Glenda Jackson: The information requested is shown in the following table.

Number of accidents on the A140 in Suffolk since May 1997 [1]

Accidents

Severity	*Number*
Fatal	2
Serious	4
Slight	6
All severities	12

[1] Data cover the period between 1 May and 31 December 1997. 1998 data are unavailable

A14 (Suffolk)

Mr. Ruffley: To ask the Secretary of State for the Environment, Transport and the Regions how many accidents have occurred on the A14 between Bury St. Edmunds and Stowmarket since May 1997. [57196]

Ms Glenda Jackson: The information requested is shown in the table.

Number of accidents on the A14 between Bury St. Edmunds and Stowmarket since May 1997 [1]

Accidents

Severity	*Number*
Fatal	1
Serious	8
Slight	19
All Severities	28

[1] Data cover the period between 1 May and 31 December 1997. 1998 data are unavailable.

Barnet Football Club

Mrs. Shephard: To ask the Secretary of State for the Environment, Transport and the Regions when the inquiry into the future location of Barnet Football Club is due to report. [57114]

Mr. Caborn: Shortly.

London Underground

Mr. Gareth R. Thomas: To ask the Secretary of State for the Environment, Transport and the Regions when he will publish a response to the Environment, Transport and Regional Affairs Committee's Seventh Report of this Session on London Underground (HC 715). [57728]

Ms Glenda Jackson: The Government welcome the Committee's report on our plans for a Public Private Partnership for London Underground (HC 715-I) which has provided a useful input to the discussion on the details of the proposals. We share with the Committee the desire to create a first-class tube service fit to take us into the next millennium. We agree with many of the report's recommendations, and are today publishing our formal response, copies of which will be laid before the House.

Local Authority Housing

Ms Oona King: To ask the Secretary of State for the Environment, Transport and the Regions what provision he will make for management and maintenance spending on council housing in England for 1999–2000. [57736]

Ms Armstrong: Our proposals are set out in the draft Housing Revenue Account Subsidy and Item 8 determinations for 1999–2000, which we have sent to housing authorities today. Authorities have been invited to let my Department have their views by 4 December 1998.

We expect councils to use the extra resources for housing to give priority to urgently needed repairs. We therefore propose to calculate separate allowances for management and maintenance from next year, in place of the combined allowance used previously in the calculation of subsidy. This will enable us to target additional resources where they are most needed.

We are proposing that maintenance allowances for council houses in England will increase by £52 million next year. This is the first time in four years that maintenance allowances have gone up in real terms.

We want Councils to continue to seek increased efficiency in the management of their housing stock and we are, therefore, also proposing a continued freeze in provision for management of the housing stock.

These increases in maintenance allowances are in addition to the very significant £3.6 billion increases in provision for capital investment in local authority housing announced by the Deputy Prime Minister in July, following the Comprehensive Spending Review.

Our proposals for 1999–2000 anticipate the proposed move to resource accounting within the Housing Revenue Account. Resource accounting will put local authority housing on a more business-like footing, increasing transparency and enabling authorities to make better decisions about the use and maintenance of their housing assets. We expect to consult authorities later this year on detailed proposals for introducing resource accounting from April 2001.

Copies of the draft determinations have been placed in the House Library.

Local Authority Staff

Ms Blears: To ask the Secretary of State for the Environment, Transport and the Regions if he will repeal the requirement for local authorities to publish their staff numbers locally. [57850]

Ms Armstrong: The Local Government (Publication of Staffing Information) (England) Regulations 1995 require authorities to publish locally each year their staff numbers, in a prescribed format which is based on the figures produced for the Joint Staffing Watch return. The Joint Staffing Watch group has decided that the Joint Staffing Watch return is no longer the most appropriate method of meeting central and local governments' needs for employment information, and the survey is to be discontinued. Trends in aggregate local authority employment will be monitored by inquiries carried out by the Office for National Statistics, which will be less burdensome on authorities. As there are a number of other mechanisms in place for ensuring that local authorities are accountable to their community for the efficient use of resources, I have decided to repeal the Publication of Staffing Information Regulations.

Local Government Reorganisation

Ms Moran: To ask the Secretary of State for the Environment, Transport and the Regions what resources he will make available to authorities that were reorganised on 1 April 1996, 1997 or 1998 for reorganisation costs incurred by them in 1998–99; and if he will make a statement. [57854]

Ms Armstrong: On 17 July I invited authorities that have been or are to be reorganised on or before 1 April 1998 to submit estimates of the amount of expenditure they expect to incur on transitional costs of reorganisation in 1998–99. On the basis, inter alia, of the information provided by the authorities, I have decided the revised maximum amounts that it would be appropriate to allocate towards such costs in 1998–99. I have given priority to those authorities that reorganised in 1998.

The amounts allocated are as follows:

1998–99

£000 (rounded)

Authority	*Supplementary credit approvals (SCAs)*
County Councils	
Cambridgeshire County Council	250
Cheshire County Council	2,217
Devon County Council	765
Essex County Council	2,683
Kent County Council	752
Lancashire County Council	1,465
Nottinghamshire County Council	4,534
Shropshire County Council	994
Worcestershire County Council	2,250

1998–99

£000 (rounded)

Authority	*Supplementary credit approvals (SCAs)*
All Purpose Authorities	
Bath and North East Somerset Council	1,280
Blackburn with Darwen Borough Council	3,349
Blackpool Borough Council	3,188
Bournemouth Borough Council	650
Bracknell Forest Borough Council	Nil
Brighton and Hove Council	1,407
Bristol City Council	1,268
Darlington Borough Council	1,193
Derby City Council	1,602
The East Riding of Yorkshire Council	4,259
Halton Borough Council	2,832
Hartlepool Borough Council	720
County of Herefordshire District Council	5,155
Kingston-upon-Hull Council	1,823
Leicester City Council	No bid
Luton Borough Council	1,973
Malvern Hills District Council	Nil
Medway Council	5,674
Middlesbrough Borough Council	2,284
Milton Keynes Borough Council	2,250
North East Lincolnshire Council	1,853
North Lincolnshire Council	3,288
North Somerset Council	652
Nottingham City Council	3,920
Peterborough City Council	2,061
Plymouth City Council	9,450
Poole Borough Council	1,100
Portsmouth City Council	1,603
Reading Borough Council	3,281
Redcar and Cleveland Council	1,000
Rutland Council	1,065
Slough Borough Council	2,781
Southend on Sea Borough Council	2,690
South Gloucestershire Council	830
Southampton City Council	3,185
Stockton-on-Tees Borough Council	1,646
Stock-on-Trent City Council	1,348
Swindon Borough Council	742
Telford and Wrekin Council	4,143
Thurrock Borough Council	3,067
Torbay Borough Council	6,396
Warrington Borough Council	2,934
West Berkshire Council	Nil
The Royal Borough of Windsor and Maidenhead	Nil
Wokingham District Council	2,262
York City Council	No bid
Total	118,114

Note:

Leicester and York City Councils and Bracknell Forest, Malvern Hills, West Berkshire and Windsor and Maidenhead Borough Councils did not submit bids for SCA.

Sustainable Development

Mrs. Fiona Jones: To ask the Secretary of State for the Environment, Transport and the Regions when the response to the fourth annual report of the Government Panel on Sustainable Development will be published. [57851]

Mr. Prescott: I am pleased to announce that the Government's response to the Fourth Annual Report of the Government Panel on Sustainable Development has been published today. We have been able to respond positively to many of the Panel's recommendations. The Panel is a valuable source of advice for Government in the achievement of sustainable development. I wish to express my gratitude to the Convenor of the Panel, Sir Crispin Tickell, and his colleagues for their continued commitment to helping to identify new sustainable ways of enhancing the quality of life and prosperity for everyone.

Examples where the Government have been able to respond positively to the Panel's recommendations are:

- on *climate change emissions:* we have reached an agreement with our EU partners during our UK Presidency on binding targets to meet the Kyoto Protocol target of 8 per cent.
- on *marine biodiversity:* we have set up a specialist sub-Group to ensure an integrated approach is taken to preserving the diversity of marine eco-systems;
- on *endocrine disruptors:* we have undertaken a new £3 million research programme to address male reproductive health and the marine environment.
- on *building regulations:* we have begun a comprehensive review of the existing regulations;
- on *economic instruments:* we are taking forward the Panel's recommendations in a number of areas.

I am placing copies of the response in the Library.

Mr. Burgon: To ask the Secretary of State for the Environment, Transport and the Regions when the Government will respond to the report by the UK Round Table on Sustainable Development on Integrating Biodiversity into Management Systems. [57952]

Mr. Meacher: The Government have today published their response to the report by the UK Round Table on Sustainable Development.

The Government response to "Integrating Biodiversity into Management Systems" is positive and accepts the thrust of the Round Table's recommendations. In particular, it welcomes recommendations on keeping business abreast of biodiversity work, nationally and locally; on taking account of biodiversity in the various pollution control regimes, and on giving biodiversity an appropriate weighting in the accreditation of environmental management systems.

I wish to express my gratitude to Sir Richard Southwood and the Round Table for their valuable work in helping to identify new ways to take forward Sustainable Development.

I am placing copies of both the responses in the Library.

Utilities (Diversionary Works)

Mr. McCabe: To ask the Secretary of State for the Environment, Transport and the Regions if he has reached a conclusion about the contribution which the utilities pay to public transport operators in connection with diversionary works. [57971]

Dr. Reid: Under the New Roads and Street Works Act 1991, and the Street Works (Northern Ireland) Order 1991, undertakers with apparatus in the street are required to meet a proportion of the cost of moving or protecting this apparatus ("diversionary works") in connection with major highway works, major bridge works, and major transport works. These terms are defined in the Act.

These arrangements replaced earlier ones, under which all the costs of diversionary works were charged to the promoter of the scheme giving rise to them.

The Act allows different proportions to be prescribed in different cases or classes of case, but the existing regulations, the Street Works (Sharing of Costs of Works) Regulations 1992 (SI 1991 No. 1690) and the Street Works (Sharing of Costs of Works) Regulations (Northern Ireland) 1998 (S.R. 1998 No. 156), prescribe a single proportion of 18 per cent. for all cases.

In discussions while the legislation was being prepared, representatives of the highway authorities and the utilities agreed that an 18 per cent. contribution would be appropriate for diversionary works in relation to road works and bridge works. In terms of the definitions in the Act and Order, these include all major highway works and major bridge works, and those major transport works, which are road or bridge works in nature.

However, the Act, the Order and the regulations go further, by including other forms of transport works, for example new light and heavy railways and street-running tramways. The utilities argue that these are different in kind from road and bridge works and should not be included in the cost-sharing arrangements. Against this, public transport operators maintain that the existing arrangements are appropriate, arguing that their works are akin to highway works and may indeed be an alternative to them.

The Government consider that a distinction should be made in this context between road and bridge works, and other public transport works. The utilities derive an operational benefit from the existence of roads and bridges, because these provide a convenient route for their apparatus. The 18 per cent. contribution might be regarded, at least in part, as a form of rent for this facility. The same consideration does not arise in the case of public transport.

The Government have concluded that a lower rate of contribution would be appropriate for diversionary works in connection with public transport works other than road and bridge works, and has decided that this rate should be 7½ per cent. As a transitional measure, the 18 per cent. rate should continue to apply to any diversionary works in this category which have started on site at the date of this announcement.

Regulations to make the change will be introduced as soon as possible. The contribution in relation to road and bridge works will remain at 18 per cent.

SOCIAL SECURITY

Fraud

Mr. Duncan Smith: To ask the Secretary of State for Social Security how many cases of benefit fraud have been successfully prosecuted in each month since 1 May 1997. [53110]

Mr. Denham: Tackling fraud and abuse is a top priority for the Government. However, questions on Benefit Agency operational matters are the responsibility of its Chief Executive, Peter Mathison. He will write to the hon. Member.

Letter from Peter Mathison to Mr. Iain Duncan Smith, dated 31 July 1998:

The Secretary of State for Social Security has asked me to reply to your recent Parliamentary Question about the number of cases of benefit fraud successfully prosecuted in each month since 1st May 1997.

Please find detailed in the attached table a month by month breakdown of the prosecution figures. These figures are totals combining figures from the Benefit Fraud Investigation Service who carry out locally based fraud investigations and the Benefits Agency Security Investigation Service who concentrate on serious attacks on the benefit system by organised criminals.

The Department has always operated a selective cost effective and humane prosecution policy. However, as set out in the green paper "Beating Fraud is Everyone's Business: Securing the Future", the Government is committed to removing "no-go areas" where a fraudster might assume that he or she will avoid prosecution. Fraud attracting low overpayment is certainly no guarantee that a fraudster will not be prosecuted.

Administrative penalties are one alternative to prosecution which the BA can now choose to offer in cases involving less serious fraud. We expect the application of this penalty to grow as staff become familiar with its use and we intend to evaluate the effectiveness of this new sanction.

I hope you find this reply helpful.

Benefit Fraud Investigation Service, Benefits Agency Security Investigation prosecution figures since May 1997

Date	
May 1997	901
June 1997	1,091
July 1997	1,171
August 1997	928
September 1997	994
October 1997	953
November 1997	982
December 1997	820
January 1998	997
February 1998	874
March 1998	902
April 1998	876
May 1998	791
June 1998	845

Note:
Figures are provisional and subject to change

Mr. Field: To ask the Secretary of State for Social Security if he will make a statement on the dates when the ministerial group, established to oversee anti-fraud strategy across central Government and announced in the Green Paper "Beating Fraud is Everybody's Business" has met. [57126]

Mr. Denham: The group is to meet shortly. Subsequent meetings will follow as necessary.

Widow's Benefits

Mr. Webb: To ask the Secretary of State for Social Security what estimate he has made of the cost of extending entitlement to widow's benefits to widowers; and if he will make a statement. [55640]

Angela Eagle *[holding answer 19 October 1998]:* To extend Widow's Benefit to new and existing widowers would generate a gross cost of about £300 million and a net cost of about £250 million once means-tested benefit and tax credit offsets have been taken into account.

Notes:

1. The gross costs have been provided by the Government Actuary's Department and assume that benefits are paid on the basis of the wife's contribution record.

2. Means-tested benefit and tax credit offsets were calculated using the 1995–96 Family Resources Survey and the May 1996 Income Support Quarterly Statistical Enquiry.

3. Estimates are in 1998–99 benefit rates and are rounded to the nearest £50 million, although are not necessarily accurate to that degree.

4. The estimate assumes no behavioural changes.

Mr. Webb: To ask the Secretary of State for Social Security what estimate he has made of the number of new claims which are made for each of the main widow's benefits, and how much would be saved by abolishing each benefit for new claimants only; and if he will make a statement. [55639]

Angela Eagle *[holding answer 19 October 1998]:* The information is set out in the tables.

The estimated number of new claims for widow's payment and new awards of widow's pension and widowed mother's allowance in 1997–98

Lump sum (claims)	
Widow's Payment	45,000
Ongoing weekly benefits (awards)	
Widow's Pension	23,000
Widowed Mother's Allowance	7,000

Notes:

1. Widow's Payment information provided by Benefits Agency's Management Information System

2. Ongoing weekly benefit information provided by a 5 per cent. sample taken from the Pensions Strategy Computer System

3. Estimates are rounded to the nearest 1,000

4. Estimates for Widow's Payment relate to claims made; a small number of claims may not be awarded a payment. Estimates for the ongoing weekly benefits relate to actual awards

It is estimated that by 2020–21 annual gross savings of the order shown in the table below would accrue from abolishing Widow's Payment, Widowed Mother's Allowance and Widow's Pension for new claimants.

Lump sum	*£ million*
Widow's Payment	50
Weekly ongoing benefits	
(i) Basic Element:	
Widow's Pension	700
Widowed Mother's Allowance	100
(ii) Additional Pension element	150

Notes:

1. Estimates provided by the Government Actuary's Department

2. Estimates are in 1998–99 benefit rates and is rounded to the nearest £50 million. Long term estimates of this kind are uncertain and subject to demographic variation

3. The answer estimates the savings on Widow's Benefits alone; it does not take account of subsequent savings from Retirement Pension paid to widows who were bereaved whilst they were under State Pension Age

4. The estimate takes account of the equalisation of State Pension Age between 2010 and 2020

Pensioner Income

Mr. Hancock: To ask the Secretary of State for Social Security what representations he has received concerning the level of pensions paid to British citizens retired in other countries. [55801]

Mr. Denham: The Australian Minister for Social Security wrote to my right hon. Friend the Secretary of State on 17 August about this issue. Representations have also been received recently from the Australian High Commissioner, the British Consulate-General in Vancouver, the President of the British Australian Pensioner Association, the Secretary-General of the World Alliance of British Expatriate Pensioners and from pensioners and their organisations.

As there are competing demands and constraints on Social Security spending in the United Kingdom, it would be wrong to raise expectations that uprating UK pensions paid abroad would be likely to attract priority in the current circumstances.

Social Security Appeal Tribunals

Mr. Mullin: To ask the Secretary of State for Social Security if circular No. 16, issued by the President of the Independent Tribunal Service on 15 September, is compatible with the Government's assurance given on 30 March 1998, *Official Report, House of Lords,* column *130*, that proposed changes to the composition of social security appeal tribunals would be subject to the affirmative procedure; and if he will make a statement. [57231]

Angela Eagle: The Government are committed to improvements in the current arrangements for handling appeals. Current delays, averaging 7 months, are unacceptable. Tribunals whose composition can be tailored to the issues raised on each appeal, are essential if we are to deliver the necessary improvements and reduce delays. The Social Security Act 1998, therefore, provides for tribunals to consist of three, two or one person. We will be bringing regulations to the House early next year for debate under the affirmative resolution procedures.

The Act also contains, at Schedule 6, a transitory power which allows the President of the Independent Tribunal Service to vary the composition of Social Security Appeal Tribunals prior to the introduction of the main changes. The immediate effect of the transitory power was specifically highlighted by my noble Friend, the Lord Advocate when he introduced the provisions to the House of Lords on 20 April 1998, *Official Report, House of Lords,* column *959*. My noble Friend the Lord Advocate went on to explain that the immediate power to introduce flexible tribunal composition had been requested by the President, His Honour Judge Michael Harris, as a means of allowing him the opportunity to test out the proposal prior to full implementation. Circular No.16 allows Incapacity Benefit appeals to be heard by a lawyer supported by a doctor.

The commitment given by my noble Friend the Lord Advocate that changes to the composition of Appeal Tribunals will be subject to affirmative resolution, still stands.

CULTURE, MEDIA AND SPORT

Radio 4

Mr. Collins: To ask the Secretary of State for Culture, Media and Sport what representations he has made to the Board of Governors of the BBC concerning scheduling revisions at Radio 4 and the ratings of that channel; and if he will make a statement. [56420]

Janet Anderson *[holding answer 26 October 1998]:* My right hon. Friend the Secretary of State and I have made no such representations. Responsibility for all matters concerning the editorial content and scheduling of programmes rests with the BBC itself.

New Forest

Mr. Swayne: To ask the Secretary of State for Culture, Media and Sport what discussions he has had with the Minister of Agriculture, Fisheries and Food regarding the Ministers Mandate and the Forestry Commission's management of the New Forest in respect of his policy to give the New Forest recognition as a world heritage site. [56502]

Mr. Alan Howarth: My right hon. Friend the Secretary of State has invited the Ministry of Agriculture, Fisheries and Food to comment on his Consultation Paper on a revised Tentative List of UK World Heritage Sites, which included the New Forest, and is currently awaiting its comments.

Royal Parks (Car Parking)

Mr. Butterfill: To ask the Secretary of State for Culture, Media and Sport what his Department's policy is in relation to car parking charges within the Royal Parks; and what consultations he has had with the Crown Estate on this matter. [56335]

Mr. Alan Howarth *[holding answer 27 October 1998]:* Parking spaces are made available in the Royal Parks principally for the benefit of people visiting the parks. Where possible these are free, but charges have been made if it appeared necessary to discourage commuter parking.

In 1994, in accordance with this policy, the Royal Parks Agency, which is responsible for managing the Royal Parks on behalf of the Department, introduced pay and display charges for car parking in Hyde Park and Regent's Park. It is proposed to extend these charges to weekends and Bank Holidays in early 1999 in line with this Government's policies on discouraging the use of vehicles in central London, as both parks are well served by public transport.

The Crown Estate was among those organisations which the Agency consulted both over the introduction of charges in 1994 and this year over their extension. Their views, and those of other consultees, have been taken into account in framing the arrangements.

Millennium Commission

Mr. Plaskitt: To ask the Secretary of State for Culture, Media and Sport when the annual report of the Millennium Commission is to be produced. [57731]

Mr. Chris Smith: The Millennium Commission laid its Annual Report before Parliament earlier today. The Government welcome the report, showing as it does that the Commission continues to exercise good stewardship of Lottery proceeds, whilst delivering real benefits to communities throughout the United Kingdom.

WALES

Optical Fibres

Mr. Barry Jones: To ask the Secretary of State for Wales in what ways he attempted to assist the optical fibres plant DIP Flintshire prior to the announcement of redundancies; and if he will make a statement. [56496]

Mr. Hain: The North Wales TEC was in touch with the company prior to the announcement and was able to put the appropriate assistance packages in place to help those that would be affected by redundancy. This has been considered as a large-scale redundancy which enables employees who have lost their jobs to be immediately eligible for Work Based Training for Adults, the New Deal for Employment Service programmes.

Mr. Barry Jones: To ask the Secretary of State for Wales if he will make a statement on the prospects for the optical fibres industry in Wales. [56495]

Mr. Hain: Despite recent reverses, the prospects for the optical fibres industry in Wales remain very encouraging. The Wales Opto-Electronics Forum, which brings together all the major players in this sector, from both industry and academia, is currently examining ways of building further on their individual and combined strengths.

Supporting the Opto-Electronics industry in Wales is one of the flagship projects in the Wales Regional Technology Plan, which sets out the longer term vision of creating in Wales a culture which encourages and values innovation.

Members of the Opto-Electronics Forum are considering how to establish North East Wales as a Centre of Excellence by developing a cluster of firms in the Opto-Electronic sector.

Mr. Barry Jones: To ask the Secretary of State for Wales what proposals his Department and its agencies have to assist the optical fibres (BICC) plant at Deeside Industrial Park; and if he will make a statement. [56491]

Mr. Hain: The Welsh Office has approved the North Wales TEC's application that this should be regarded as a large scale redundancy. Those affected by redundancy will therefore be immediately eligible for Work Based Training for Adults, the New Deal and Employment Service programmes. Following the announcement the officials from the WDA and Flintshire County Council met the company and have agreed to take all possible steps to try and assist the workforce in finding alternative employment, with a view also to ensuring that the skills of the workforce can quickly be put to productive use for the benefit of the local economy.

Kimberley-Clark Factory (Deeside)

Mr. Barry Jones: To ask the Secretary of State for Wales in what ways he assisted the Kimberley-Clark

factory on Deeside Industrial Park prior to its announcement on 21 October of closure; and if he will make a statement. [56497]

Mr. Hain: Up to February 1995 the company received financial assistance, under the Regional Development Grant and Regional Selective Assistance schemes, totalling £1.46 million in support of projects to develop and expand production facilities at the Deeside Mill. The WDA has also offered the company assistance in property deal matters.

Manufacturing Industry

Mr. Martyn Jones: To ask the Secretary of State for Wales if he will make a statement on the level of manufacturing output in Wales. [56409]

Mr. Hain: Manufacturing output in the year to the first quarter of 1998 was 1.4 per cent. higher than in the previous four quarters; in the UK there was an increase of 1.1 per cent. over the same period.

Flood Damage

Mr. Evans: To ask the Secretary of State for Wales what estimate he has made of the damage caused by the floods in Wales on 23, 24 and 25 October. [57129]

Mr. Jon Owen Jones: At present it is by no means clear how much damage there has been in monetary terms. The Environment Agency, with whom the Department's officials have remained in close contact throughout the event, have estimated there were about 500 houses flooded from main rivers. There were also many properties flooded from other watercourses and by surface water. This event is, of course, not yet over and Environment Agency Flood Control Centres remain open throughout Wales. I have asked the Environment Agency to provide me with a full report.

Mr. Evans: To ask the Secretary of State for Wales what representations requesting aid he has received following the floods in Wales on 23, 24 and 25 October. [57137]

Mr. Jon Owen Jones: None at present.

Mr. Evans: To ask the Secretary of State for Wales what aid he has given to those suffering damage from the floods in Wales on 23, 24 and 25 October. [57130]

Mr. Jon Owen Jones: None. For individuals and most organisations flooding is an insurable risk and it has been the policy of successive Governments that responsibility for their own property is a matter for the individuals and organisations concerned. Local authorities are able to apply to the Government for financial assistance, under the so-called Bellwin scheme, towards expenditure in relation to any uninsurable damage they may have incurred.

FOREIGN AND COMMONWEALTH AFFAIRS

Banknotes and Coins

Mr. Gill: To ask the Secretary of State for Foreign and Commonwealth Affairs which countries show the Queen's head on their currency. [55944]

Mr. Tony Lloyd: The following countries show Her Majesty The Queen's head on their currency:

Antigua and Barbuda
Anguilla
Australia
Bahamas
Belize
Britain (including Jersey, Guernsey and Isle of Man)
Canada
Dominica
Fiji
Grenada
Kiribati (uses Australian dollars)
Nauru (uses Australian dollars)
New Zealand
St. Kitts and Nevis
St. Lucia
St. Vincent and the Grenadines
Solomon Islands
Tuvalu.

Departmental Employees (Physical Difficulties)

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs how many people employed by his Department have physical difficulties. [56260]

Mr. Tony Lloyd: On 1 April 1998 we employed 106 permanent UK-based people who have declared that they have a disability which will affect them in some way at work. People are not required to report a disability.

Yugoslavia

Mr. Randall: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his oral statement of 19 October 1998, *Official Report*, column 963, what material help Her Majesty's Government are giving to the independent radio station B92 in Belgrade. [56442]

Mr. Tony Lloyd: The British Government have helped Radio B92 since 1993. In March of this year we decided to fund the establishment of a dedicated telephone line linking the BBC's Serbian Service to Radio B92. This line is now operational and has enabled Radio B92 and its network of independent radio stations throughout the FRY to increase significantly the re-broadcasting of BBC World Service Programmes. We are currently considering what further assistance we can provide to the independent media in the light of the adoption on 20 October by the Serbian Parliament of a new repressive Information Law designed to restrict their operations severely.

Jammu and Kashmir

Mr. Sarwar: To ask the Secretary of State for Foreign and Commonwealth Affairs what recent representations he has made to the Government of India to permit foreign journalists and representatives of human rights organisations unrestricted access to Jammu and Kashmir. [56716]

Mr. Fatchett: We have made clear to the Indian Government our commitment to human rights. We shall continue to encourage them to allow more visits by international human rights groups, including Amnesty

International and UN thematic mechanisms. We are not aware of any restrictions on visits to Jammu and Kashmir by foreign or other journalists.

Visa Requirements

Mr. John D. Taylor: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the visa requirements for persons from Taiwan seeking to enter and work in the United Kingdom; and in which currency they are required to pay for visas in Taiwan before departure. [56706]

Mr. Fatchett: All Taiwan passport holders require a visa to enter and work in the United Kingdom. The requirements will vary according to the type of work. For certain categories of employment, a Work Permit issued by the Department for Education and Employment is also required. Visas are paid for in local currency; in this case the New Tawain Dollar.

Edgar Fernandes Case

Mr. Vaz: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to the Turkish, Italian and Maltese authorities in respect of the extradition of Mohammed Abdel Mohem Abbas Aly in the Edgar Fernandes case. [56683]

Mr. Fatchett: In September my noble Friend the Parliamentary Under-Secretary of State visited Turkey and raised the extradition with the Chief of Police and the head of Interpol in Turkey, in Istanbul and with the Permanent Secretary at the Ministry of Foreign Affairs in Ankara. The Italian authorities are not involved in the extradition process. The Turkish and Maltese authorities used their Missions in Rome to hand over the extradition papers. The British High Commissioner and Vice-Consul in Valletta take every opportunity to raise the case with their Maltese counterparts. The latest occasion was on 7 October, when the High Commissioner made a formal approach to both the Attorney General and the Permanent Secretary at the Ministry of Foreign Affairs to stress the importance we attach to the processing of the extradition request as soon as possible.

Mr. Vaz: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the case of Edgar Fernandes. [56682]

Mr. Fatchett: I refer my hon. Friend to the Statement I made during the Adjournment debate on 15 July 1998, *Official Report*, columns 549–52. Our Missions in Ankara and Valletta continue to press the Turkish and Maltese authorities to expedite the request for the Egyptian suspect's extradition. On 19 October the Ministry of Foreign Affairs in Valletta informed our High Commission that they had received the extradition papers from the Turkish authorities on 16 October. The Maltese Attorney General will now consider the extradition request.

Public Appointments

Mr. Vaz: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will publish the names of those people he has appointed to public bodies since 1 May 1997, indicating the positions to which they have been appointed and whether they receive remuneration. [56812]

Mr. Tony Lloyd: The following officers of the board of the British Council were elected by the Board, with the prior approval of the Secretary of State.

	Position		£
Sir Martin Jacomb	Chairman	Remuneration	10,850
Baroness Helena Kennedy	Chairman	Remuneration	35,000
Virginia Bottomley MP	Vice Chairman	Remuneration	Nil
Patricia Hewitt MP	Vice Chairman	Remuneration	Nil
Lord Chorley	Deputy Chairman	Remuneration	Nil

Sir Martin Jacomb was re-appointed on 13 November 1997 for 9 months, in order to provide continuity to the Council during the new Director-General's settling in period. My hon. Friend the Member for Leicester, West (Ms Hewitt) became Economic Secretary to HM Treasury in July and no longer sits on the board. The place is still vacant.

Commonwealth Institute

	Position		£
David Thompson	Chairman	Remuneration	15,000
John Cluff	Governor	Remuneration	Nil
Helen Robinson	Governor	Remuneration	Nil

The Commonwealth Institute are in the process of appointing 10 new governors.

Marshall Aid Commemoration Commission

	Position		
Dr. Frances Dow	Board Member	Remuneration	Nil
Sharwar Sadeque	Board Member	Remuneration	Nil
Julia Somerville	Board Member	Remuneration	Nil
Douglas Tallack	Board Member	Remuneration	Nil
Graham Benson	Board Member	Remuneration	Nil
Sir Charles Chadwyck-Healy	Board Member	Remuneration	Nil

Sir Charles Chadwyck-Healy was re-appointed on 9 February 1998.

Westminster Foundation for Democracy

	Position		£
Menzies Campbell MP	Vice Chairman	Remuneration	Nil
Gary Streeter MP	Vice Chairman	Remuneration	Nil
Archy Kirkwood MP	Vice Chairman	Remuneration	Nil
Peter Frank	Board Member	Remuneration	Nil
Timothy Garton Ash	Board Member	Remuneration	Nil
Richard Page MP	Board Member	Remuneration	Nil
Mary Kaldor	Board Member	Remuneration	Nil
Gillian Merron MP	Board Member	Remuneration	Nil
Ieuan Wyn Jones MP	Board Member	Remuneration	Nil
Elizabeth Smith	Board Member	Remuneration	Nil
Georgina Ashworth	Board Member	Remuneration	Nil
Beverly Bernard	Board Member	Remuneration	Nil

The hon. and learned Member for North–East Fife (Mr. Campbell) resigned and was replaced by the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) a Vice Chairman of Westminster Foundation for Democracy, on 9 December 1997. Beverly Bernard resigned as a board

member on 10 June 1998 andthere is currently one vacancy on the board. Peter Frank and Timothy Garton Ash were re-appointed to the board on 22 May 1998.

Wilton Park Academic Council

	Position		£
Gael Ramsay	Council Member	Remuneration	Nil
Andrew Rowe MP	Council Member	Remuneration	Nil
Nik Gowing	Council Member	Remuneration	Nil

Ministerial Visit (Turkey)

Mr. Vaz: To ask the Secretary of State for Foreign and Commonwealth Affairs what discussions the Parliamentary Under-Secretary, Baroness Symons, had with the Turkish authorities during her trip to Istanbul. [56685]

Mr. Fatchett: During her trip to Turkey from 14 to 16 September, my noble Friend the Parliamentary Under-Secretary of State met Ambassador Haktanir, the Permanent Secretary at the Ministry of Foreign Affairs in Ankara. She had wide ranging discussions and raised the case of Edgar Fernandes. She agreed that our High Commission in Valetta would press the Maltese authorities to process the extradition without undue delay. Ambassador Haktanir undertook to monitor the progress of the extradition papers and to chase this as necessary. In Istanbul she met Hasan Ozdemir, the Chief of Police in Istanbul and the Head of Interpol in Turkey, specifically to discuss the case of Edgar Fernandes. Mr. Ozdemir agreed that Turkish Interpol would pursue the paperwork needed to extradite the Egyptian suspect from Malta.

Missing Persons

Mr. Vaz: To ask the Secretary of State for Foreign and Commonwealth Affairs what plans he has to create a unit for missing persons within his Department. [56684]

Mr. Fatchett: Consular Division of the Foreign and Commonwealth Office automatically pass details of inquiries about missing persons to consular offices abroad, where consular staff check their registration records, telephone and last known address and inform the inquirer of the outcome of such research. There are no plans to create a separate unit for missing persons.

Responsibility for searching for missing people rests with the police. Where individuals go missing outside the UK, that responsibility lies with Interpol. We have no investigative powers or resources to trace missing persons. Consular Division advises inquirers to register the person as missing with their local police force, who will work with Interpol to establish their whereabouts.

My right hon. Friend the Foreign Secretary has instructed Consular Division to check with those reporting missing persons whether they have turned up three months after they make the original inquiry.

Senator Pinochet

Mr. Wilkinson: To ask the Secretary of State for Foreign and Commonwealth Affairs when *(a)* the British Embassy in Santiago and *(b)* his Department were informed by the Chilean authorities of the intended visit of Senator Pinochet to the United Kingdom; and what information about Senator Pinochet's intended visit, and when, his Department communicated to the Home Office. [56695]

Mr. Tony Lloyd *[holding answer 27 October 1998]:* In early September the embassy in Santiago was told informally of a proposed visit by Senator Pinochet to the UK. On 16 September the Chilean embassy made a routine request to the Foreign Office for the use of VIP facilities at Heathrow for Senator Pinochet's arrival. Senator Pinochet came on a private visit. As a Chilean citizen he did not need a visa to enter the UK. We do not as a matter of routine communicate information relating to VIP facilities to the Home Office and did not do so on this occasion.

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs if his Department provided VIP facilities for Senator Pinochet's visit to the UK in October 1997; and if he will make a statement. [57233]

Mr. Tony Lloyd: I refer the hon. Member to the answer I gave her on 27 October 1998, *Official Report*, columns *146–47*.

Amnesty International

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs how many members of Amnesty International are planned to be seconded to his Department; when they will commence working with Ministers; and by whom they will be paid. [57234]

Mr. Tony Lloyd: Ms Harriet Ware-Austin from Amnesty International will commence work with the Human Rights Policy Department of the Foreign and Commonwealth Office in December of this year. The costs of this attachment and that of Dan Seymour from Save the Children Fund will be met from the FCO'S Human Rights Project Fund.

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs what recent representations he has received from Amnesty International concerning *(a)* China and *(b)* Argentina. [57235]

Mr. Tony Lloyd: Amnesty International, and other NGOs, briefed senior officials on their concerns about human rights in China in advance of my right hon. Friend the Prime Minister's recent visit. My right hon. Friend the Prime Minister raised the issue of human rights in his discussions with the Chinese leadership, and we continue to address these concerns through our bilateral and EU human rights dialogues with China. We liaise closely with Amnesty on these issues and Amnesty have participated in the dialogue process.

We have received periodic reports from Amnesty International on their "Urgent Action" appeals in Argentina—as elsewhere. Amnesty International have not approached the Foreign Office recently with specific questions about Argentina. But we are happy to receive Amnesty representatives, if they have any particular points to discuss.

Diplomatic Posts and Embassies

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the diplomatic

posts and embassies which are being examined for potential closure; and when he plans to announce his conclusions. [57237]

Mr. Fatchett: We are considering several options to modernise our overseas network. This includes looking for opportunities for growth in areas of the world where Britain is under-represented. No decisions have yet been taken on closing any posts to release resources for redeployment elsewhere.

British Business (Emerging Markets)

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the 20 principal emerging markets for British business. [57285]

Mr. Fatchett: Decisions on emerging markets for individual companies will be the responsibility of individual companies. In 1997, the Foreign and Commonwealth Office and the Department for Trade and Industry published the report of the Export Forum, which set out criteria for selecting priority markets for the work of the DTI, and UK Posts overseas.

Falkland Islands

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make it his policy not to enter into negotiations with the Argentinian President and his delegation over the status of the Falklands; and if he will make a statement. [57115]

Mr. Tony Lloyd: We have no doubt about our sovereignty over the Falklands. This is not negotiable. There will be no change in the status of the Islands unless that is the wish of the Islanders themselves. In inviting President Menem we have made it clear to the Argentines that his visit will not be an opportunity to negotiate sovereignty over the Falklands.

Overseas Estate

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the British Government owned buildings and estates held abroad and the latest estimate of their value. [57238]

Mr. Fatchett: The information requested, in respect of the Foreign and Commonwealth Office's overseas estate, which comprises some 3,900 properties, is not readily available and could be provided only at disproportionate cost. 50 per cent. of our office and residential accommodation overseas is freehold. The provisional market value of the overseas estate in 1997 was £936.5 million.

Further information on the Department's estate can be found in pages 71–72 of the FCOs Departmental report, a copy of which is in the Library of the House.

Consul-General, New York

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the newspapers and journals in which he plans to place advertisements for the post of British Consul-General in New York. [57236]

Mr. Fatchett: The position of Director General of Trade and Investment US and Consul-General New York was advertised in *The Sunday Times* on 11 October, "The Voice/Weekly Journal" on 12 October, Ethnic Media Group (consisting of the "Asian Times", "Caribbean Times", "New Nation" and "Eastern Eye") on 13 October, the *Financial Times* on 14 October, *The Times* on 15 October and *The Economist* on 16 October. It also appeared on the Foreign and Commonwealth Office web-site.

European Union (Business)

Mr. John Smith: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the forthcoming business in the Council of the European Union for November; and if he will list the major European Union events for the next six months. [57730]

Ms Quin: The information is as follows:

Monthly forecast of business for November 1998

Date	*Venue*	*Event*
November 1998		
3	Brussels	Consumer Council
9	Brussels	Internal Market Council
9–10	Brussels	General Affairs Council
12	Brussels	Health Council
16	Brussels	Industry Council
17	Brussels	Culture Council
20	Brussels	Labour and Social Affairs Council
23	Brussels	ECOFIN Council
23–24	Brussels	Agriculture Council
24	Brussels	Budget Council
26	Brussels	Youth Council
27	Brussels	Telecommunications Council
30	Brussels	Development Council
30–1 December	Brussels	Transport Council

The following subjects are likely to be discussed:

November 3: Consumer Council

Proposal for a Council Directive on the distance selling of financial services: Commission presentation.

Proposal for a European Parliament and Council Decision establishing a general framework for Community activities in favour of consumers: Common position.

Consumer preparation for introduction of Euro. Public debate.

Quality standards for instructions for use of technical appliances used in households: Council Resolution.

Commission information campaign on food safety: Presentation by the Commission.

Consumer dimension in the information society: Council resolution.

EURO-MED consumer conference: Commission report.

November 9: Internal Market Council

Single Market Action Plan: Actualisation of the rolling programme—Updated version of the Scoreboard: Presentation by the Commission—Mutual recognition: Council resolution—Standardisation: Progress report.

Legislative simplification: SLIM initiative: Report by the Commission, evaluation debated—Simplification of national legislation: Report by the Presidency on the outcome of the conference on "Better Regulation Serves Employment"—European Business Test Panel: Report by the Commission.

Amended proposal for a Regulation on the Statute for a European Company (SE): Political agreement or progress report. Proposal for a European Parliament and Council Directive amending

Directive 85/374/EEC on the harmonisation of the legislations of the Member States regarding product liability: Common position.

Proposal for a Council Regulation amending Regulation (EC) No. 3259/94 laying down measures to prohibit the release for free circulation, export, re-export or entry for a suspensive procedure of counterfeit and pirated goods: Adoption.

Proposal for a European Parliament and Council Directive amending Council Directive 92/109/EEC relating to the manufacturing and placing on the market of certain substances used in the illicit manufacture of narcotic drugs and psychotropic substances: Common position.

Follow up to the Commission communication on public procurement: Orientation debate.

Proposal for a European Parliament and Council Directive on the approximation of provisions relating to the implementation of Good Clinical Practice in the conduct of clinical tests on medicinal products for human use: (possible) Common position.

Proposal for a Council Regulation (EC) amending Council Regulation (EC) No. 297/95 on fees payable to the European Agency for the evaluation of medicinal products: Adoption.

Proposal for a Directive of the European Parliament and of the Council on in vitro diagnostic medical devices: Common position.

Proposal for a European Parliament and Council Directive on the harmonisation of certain aspects of copyright and related rights in the information society: Common position (possible item).

Follow up to the Commission Communication on Commercial communications: Report by the Commission.

Amended proposal for a 13th Directive of the European Parliament and of the Council on Company Law concerning take-over bids: Common position.

Proposal for a Directive of the European Parliament and of the Council relating to cableway installations designed to carry passengers: Orientation debate.

Proposal for a Directive of the European Parliament and of the Council amending Council Directive 92/23/EEC relating to tyres for motor vehicles and their trailers and to their fitting: Common position.

Amended proposal for a 10th Directive of the Council based on Article 54(3)(G) of the treaty concerning cross-border mergers of public limited companies: Presentation by the Commission.

Proposal for a Directive of the European Parliament and of the Council on the specific aspects of the information society including electronic business communications: Presentation by the Commission.

Proposal for a European Parliament and Council Directive on the legal protection of services based on, or consisting of, conditional access: Progress report.

Proposal for a European Parliament and Council Directive relating to cocoa and chocolate products intended for human consumption: Common position (Common position).

Commission communication on the Green Paper on the general principals of food law in the European Union: Presentation by the Commission.

Proposal for a Council Directive relating to honey: Adoption (possible item).

Proposal for a Council Directive relating to fruit juices and certain similar products intended for human consumption: Adoption (possible item).

Proposal for a Council Directive relating to fruit jams, jellies and marmalades and sweet chestnut puree intended for human consumption: Adoption (possible item).

Proposal for a Council Directive relating to certain sugars intended for human consumption: Adoption (possible item).

Proposal for a Council Directive relating to certain partly or wholly dehydrated preserved milk for human consumption: Adoption (possible item).

November 9–10: General Affairs Council (agenda can change up to a week before)

Agenda 2000.

Enlargement.

Comitology (possible item).

TACIS: Orientation debate (possible item).

Poland: Adoption of the EU position for the Association Council (possible A item).

Hungary: Adoption of the EU position for the Association Council (possible A item).

Czech Republic: Adoption of the EU position for the Association Council (possible A item).

Slovenia: Adoption of the EU position for the Association (co-operation) Council (possible A item).

Russia: Report of the EU-Russia Summit.

EU-USA: Preparation of the summit (possible item).

Western Balkans.

Indonesia.

Africa.

Middle East Peace Process (possible item).

Algeria (possible item).

Export controls: Assistance to the associated countries (possible A item).

Preparation of the OSCE Ministerial Council.

November 12: Health Council

Communication from the Commission concerning the future framework for action in the public health field: Council Conclusions.

Amended proposal for a decision of the European Parliament and of the Council adopting a programme of Community action from 1999 to 2003 on injury prevention in the context of action in the field of public health: Common position.

Proposal for a Council Recommendation on limits for exposure of the general public to electromagnetic fields: Progress report.

EU-US Task Force on communicable diseases: Council Conclusions following the 4th meeting on the Task Force in October.

Report from the Commission on the implementation of Directive 92/73/EEC and 92/74/EEC concerning homeopathic medicine.

Transmissible Spongiform Encephalopathies: Discussion.

Progress report from the Commission on the reduction of tobacco consumption in the Community: Progress report of exchange of views (possible item).

November 16: Industry Council

Report from the Commission on the competitiveness of European Industry: Presentation.

Business services—Commission communication: Presentation.

Results of benchmarking analysis—Financing Innovation—Skills—Logistics—Adoption of ITCs and organisational change: Presentation and (possible) conclusions.

Sectorial issues and Commission communications (possible item).

Commission communication—Competitiveness of the recycling industry: Presentation.

Mid-term work programme for the organisation of an ongoing debate on industrial competitiveness: Debate.

The follow-up of the recommendation of the BEST Task Force: Progress report.

Information of the Presidency on the results of the Forum/Roundtable in Baden: Presidency conclusions.

Results of the conference on supplier industries in Graz: Information by the Presidency.

Structured dialogue with PECOs and Cyprus: Preparation of the meeting.

Proposal for a Council Directive combating late payment in commercial transactions: Debate, (possible) adoption.

Shipbuilding—Monitoring report on aid to certain shipyards undergoing restructuring: Presentation.

State Aid: Proposal for a Council Regulation laying down detailed rules on the application of Article 93 of the EC Treaty: Debate, (possible) adoption.

10th Monitoring Report on the control of aid to the steel industry: Presentation.

Future of ECSC Treaty—Expiry of the ECSC Treaty: Commission communication—Financial activities—Non-financial Activities concerning the Steel Aid Code: (possible) Decision.

Communication from the Commission on a global approach to promote regional and social conversion and to facilitate industrial restructuring in the Central and Eastern European Countries: Presentation.

Competition policy—XXVIIth report on competition policy: Presentation.

Electronic commerce: Oral report on the Ottawa Conference: (possible) conclusions.

November 17: Culture Council

Proposal for a European Parliament and Council decision establishing a Community initiative for the "European City of Culture" event: (possible) Adoption or progress report.

Proposal for a European Parliament and Council decision establishing a single financing and programming instrument for cultural cooperation (1st European Community framework programme in support of culture, 2000–2004): (possible) Common position or progress report.

Culture and Employment: Debate.

Cross-border fixed book prices in European linguistic areas: Report by the Commission.

Evaluation of the MEDIA II programme: Report by the Commission (possible item).

European audiovisual sector: Presidency report.

Commission communication on the future of the audiovisual policy in the European Union: Public debate.

Consultation process regarding the Green Paper on the convergence of the telecommunications, media and information technology sectors, and the implications for regulation: Report by the Commission.

Council decision on an information infrastructure on audiovisual issues: Progress report or adoption (possible item).

High level Audiovisual Group set up by Commissioner Oreja: Report by the Commission.

November 20: Employment and Social Affairs Council

Joint Employment report 1998: Debate.

Commission Draft Employment Guidelines 1999: Debate.

November 23: ECOFIN Council (provisional agenda)

Preparation of Stage 3 of EMU.

Taxes.

SEM 2000/Fraud prevention—Protection of financial interests/Discharge in respect of the 1996 budget (Report from the Commission to the EP)/Court of Auditors' report on the 1997 EU budget.

Employment.

Agenda 2000.

Financial services (possible item).

Stability and convergence programmes (possible item).

November 23–24 Agriculture Council

Agenda not yet available.

November 24: Budget Council (provisional agenda)

Draft general budget for the financial year 1999.

(possibly) Draft supplementary and amending Budget for 1998.

November 26: Youth Council

Decision of the European Parliament and of the Council establishing the Community action programme for youth: Common position or progress report.

Pilot project on European voluntary service for young people: Report by the Commission.

November 27: Telecommunications Council

Proposal for a Directive of the European Parliament and of the Council on electronic signature: (possible) Common position. Political agreement on Articles (possible).

Convergence of telecommunication sectors, media and information technologies: Elementary implications: Commission communication on the result of consultations and exchange of views.

Globalisation and information society: Strengthening of the international coordination: Progress report.

Commission communication on a Community policy in the field of frequencies: Presentation by the Commission.

Proposals for Decisions concerning a second phase for IDA programme: Orientation debate and (possible) political agreement on 1 of 2 Decisions.

Commission communication on the implementation of the relevant Community legislation on telecommunication: Presentation by the Commission.

Management of the Internet: Progress report.

November 30: Development Council

Peace-building, conflict prevention and resolution.

Tourism and development.

Operational coordination.

Evaluation.

Indigenous peoples.

Microfinance and development.

Anti-personnel mines.

Private sector in ACP countries

Decentralised cooperation—NGO co-financing.

Gender.

Democratisation and Human Rights—Article 130W—Article 235.

Renegotiation Food Aid Convention 1995.

Coordination with a view to meetings of the WFP Executive Board.

November 30-December 1: Transport Council

Proposal for a Council directive on the charging of heavy goods vehicles for the use of certain infrastructures: (possible) adoption of a common position.

Negotiations between the European Community and Switzerland on inland and air transport: Progress report/conclusion.

Framework for a solution for the environmental problems caused by heavy goods vehicles: Policy debate, Commission communication expected (possible item).

Proposal to amend Regulation 3820/85 concerning working time in road transport: Policy debate, Commission proposal expected (possible item).

Proposal for a Council Directive amending Directive 92/106/EEC on the establishment of common rules for certain types of combined transport of goods between Member States and amending Council Directive 96/53/EEC, as far as the maximum authorised weights in international traffic are concerned: (possible) Common position (possible item).

Rail infrastructure: Policy debate/(possible) common position on specific directives (possible item).

Commission communication on the interoperability in conventional rail transport: Policy debate (possible item).

Proposal for a Council Directive amending Directive 82/714/EEC laying down technical requirements for inland waterway vessels: Policy debate.

Implementation of Decision 1692/96 (TEN-Guidelines): Policy debate, Commission report expected (possible item).

Transport Infrastructure Needs Assessment (TINA): Policy debate, Commission report expected (possible item).

Proposal for a Council Directive amending Directive 94/55/EC on the approximation of the laws of the Member States with regard to the transport of dangerous goods by road: Policy debate.

Commission Communication on common policy on manning if regular passenger and ferry services operating between Member States—Proposal for a Council Regulation amending Council Regulation (EEC) No. 3577/92 on 7 December 1992 applying the principle of freedom to provide services to maritime transport within Member States—Proposal for a Council Directive on manning conditions for regular passenger and ferry services operating between Member States: Policy debate and (possible) Common position.

Proposal concerning the RO-RO ferries: (possible) Common position.

EU/US aviation relations—policy debate.

Proposal for a Council Regulation amending Regulation (EEC) No. 295/91 establishing common rules for a denied-boarding compensation system in scheduled air transport: Common position.

Green paper "Civil aviation and the environment": Policy debate (possible item).

Commission communication on air transport market: Policy debate.

European Calendar: November 1998—April 1999

This calendar is primarily concerned with European Union matters, but certain other relevant events are also included. Events and dates quoted are based on the information available on the date of issue.

Date	*Venue*	*Event*
November 1998		
3	Brussels	Political Committee
3	Brussels	Consumer Council
3–4	Vienna	EU/SADC Ministerial Meeting
3–4	Vienna	Defence Ministers (Informal)
4–5	Brussels	European Parliament Plenary
9	Brussels	Internal Market Council
9	Brussels	Political Committee
9–10	Brussels	General Affairs Council
12	Brussels	Health Council
16	Brussels	Industry Council
16–20	Strasbourg	European Parliament Plenary
17	Brussels	Culture Council
19	Brussels	Political Committee (if necessary)
20	Brussels	Labour and Social Affairs Council
23	Brussels	ECOFIN Council
23–24	Brussels	Agriculture Council
24	Brussels	Budget Council
26	Brussels	Youth Council
26	Brussels	Political Committee
27	Brussels	Telecommunications Council
30	Brussels	Development Council
30–1 Dec	Brussels	Transport Council
December 1998		
1	Brussels	ECOFIN Council
1	Brussels	Labour and Social Affairs and ECOFIN Council
1	Vienna	Parliamentary Heads
2	Brussels	Labour and Social Affairs Council
2–3	Brussels	European Parliament Plenary
3–4	Brussels	Justice and Home Affairs
4	Brussels	Education Council
7	Brussels	Political Committee
7–8	Brussels	General Affairs Council
10	Brussels	Research Council
11	Vienna	Political Committee
11–12	Vienna	European Council
14–16	Brussels	Agriculture Council
14–18	Strasbourg	European Parliament Plenary
15	Brussels	Energy Council
17–18	Brussels	Fisheries Council
21	Brussels	Environment Council
January 1999		
1	Brussels	ECOFIN
11–15	Strasbourg	European Parliament Plenary
14	Brussels	Fisheries Council (possible)
18	Brussels	Agriculture Council
18	Brussels	ECOFIN
19	Brussels	Agriculture Council
25	Brussels	Political Committee
25–26	Brussels	General Affairs Council
27–28	Brussels	European Parliament Plenary
February 1999		
4–6	Bonn	Ministers for Labour and Social Affairs (Informal)
8	Brussels	ECOFIN
8–12	Strasbourg	European Parliament Plenary
11–12	Berlin	Ministers for Justice and Home Affairs (Informal)
18	Brussels	Research Council (possible)
22	Brussels	Political Committee
22–23	Brussels	General Affairs Council
22–23	Brussels	Agriculture Council
24–25	Brussels	European Parliament Plenary
25	Brussels	Internal market
March 1999		
9	Brussels	Labour and Social Affairs Council
11–12	Brussels	Environment Council
12	Brussels	Justice and Home Affairs Council (possible)
13–14	Reinhartshausen	Foreign Ministers (Informal)
15	Brussels	ECOFIN
15–16	Brussels	Agriculture Council
22	Brussels	Political Committee
22–23	Brussels	General Affairs Council
24–25	Brussels	Special European Council (possible)
24–25	Frankfurt	Asia-Europe Finance Ministers
25	Brussels	Fisheries Council
29	Brussels	Transport Council
29–30	Berlin	Asia-Europe Foreign Ministers
April 1999		
13	Luxembourg	Consumer Affairs Council
15–16	Stuttgart	Barcelona III
16–18	Dresden	ECOFIN (Informal)
19–20	Luxembourg	Agriculture Council
22	Luxembourg	Telecommunications Council
23–25	Mecklenburg	Environment Ministers (Informal)
24–25	Luxembourg	NATO Summit
26–27	Luxembourg	General Affairs Council
29	Luxembourg	Industry Council

TRADE AND INDUSTRY

Strategic Export Controls

9. **Mr. Cohen:** To ask the Secretary of State for Trade and Industry what responses he has received to the consultation on the strategic export controls White Paper. [55060]

Mrs. Roche: Since the White Paper on Strategic Export Controls was published on 1 July, the Department has received 52 responses from representatives of industry, non-governmental organisations and other interested organisations and individuals.

We are currently considering all the responses carefully as part of the process of further developing the proposals contained in the White Paper.

Science Base

14. **Dr. Starkey:** To ask the Secretary of State for Trade and Industry what assessment he has made of the contribution of the science base to the UK economy as a whole. [55067]

Mr. Mandelson: The strength of Britain's science base is absolutely fundamental to the success of the UK economy. I plan to publish soon a Competitiveness White Paper which will demonstrate how the use and application of science is helping companies meet the challenges of the knowledge driven economy.

The UK's future success depends crucially on a partnership between the science base and the commercial sector. Most importantly, it depends on the well-trained, skilled people produced by and working in our scientific centres.

Post Office

15. **Mr. Gibb:** To ask the Secretary of State for Trade and Industry what representations he has received on the future of the Post Office. [55068]

Mr. Ian McCartney: I have received representations from a wide range of interested parties, including management and unions of the Post Office, the Post Office Users National Council and the National Federation of Sub-Postmasters. My officials have also received written views and, amongst others, met representatives of business users and distribution companies.

Mr. McAllion: To ask the Secretary of State for Trade and Industry what recent discussions he has held with Post Office trade unions relating to the structure and funding of the Post Office. [55075]

Mr. Ian McCartney: I maintain regular dialogue with the unions. They have been contributing fully to the work of the Review of the Post Office and are maintaining contact with the Review Team and the working groups, which are considering all aspects of the future of the Post Office, including its structure and funding.

Aerospace Industries

16. **Mr. Salter:** To ask the Secretary of State for Trade and Industry if he will make a statement on the progress of the restructuring of the aerospace industries. [55069]

Mr. Wilson: As my right hon. Friend the Prime Minister has made clear since his statement on this subject with the German and French Heads of Government on 9 December last year, there is an urgent need to restructure the aerospace and defence industries in Europe.

Although it is for industry to develop specific restructuring plans, we have undertaken to facilitate any sensible restructuring proposals as far as practicable.

European Assistance (Berwick-upon-Tweed)

17. **Mr. Beith:** To ask the Secretary of State for Trade and Industry what forms of European assistance will be available to the Berwick-upon-Tweed area following the closure by Pringle of Scotland's factory there. [55070]

Mrs. Roche: There are four types of potential funding sources which could be accessed to finance a strategy for the economic regeneration of the Borough, from which over £2.5 million is currently available in the Berwick sub-region.

Government Policy Co-ordination

18. **Mr. Skinner:** To ask the Secretary of State for Trade and Industry what recent meetings he has had with the Chancellor of the Duchy of Lancaster in respect of the co-ordination of Government policy on *(a)* the minimum wage and *(b)* fairness at work legislation. [55071]

Mr. Ian McCartney: Ministers regularly meet the Chancellor of the Duchy of Lancaster to discuss the co-ordination of Government policy.

Energy Market (Regulation)

19. **Mrs. Gilroy:** To ask the Secretary of State for Trade and Industry what progress has been made in achieving a fair system of regulation in the energy market. [55072]

Dr. Howells: We have made good progress. Following the publication of the Green Paper on Utility Regulation in March, we published a response to consultation in July which set out a series of commitments to improve regulation of all the privatised utilities, including gas and electricity. The Government intend to place the regulators under a new primary duty to protect the interests of consumers and to create new independent statutory Consumer Councils. We also intend a number of specific reforms in relation to energy regulation. These include the separate licensing of electricity supply and distribution, which will lead to greater competition in the electricity market, and the merger of Offer and Ofgas. Indeed on the last point, my right hon. Friend the Secretary of State has recently announced the appointment of Callum McCarthy as the new combined gas and electricity regulator. We have recently published consultation papers on the detail of these and other changes, and will bring forward our proposals taking account of responses received.

Manufacturing and Construction (London)

20. **Mr. Simon Hughes:** To ask the Secretary of State for Trade and Industry what are the Government's priorities for promoting manufacturing and construction in London. [55073]

Mrs. Roche: The Government's priorities in London, as elsewhere, are to help companies improve their competitiveness and innovate through the delivery of high quality business support services and initiatives.

Fairness At Work

21. **Ms Rosie Winterton:** To ask the Secretary of State for Trade and Industry what representations he has received on the Fairness at Work White Paper. [55074]

Mr. Ian McCartney: The Department has received 474 responses, reflecting a wide range of views, to the White Paper on Fairness at Work, published on 21 May. I have placed a list of respondents in the Library of the House.

Competitiveness UK Initiative

22. **Mr. Mitchell:** To ask the Secretary of State for Trade and Industry what recent assessment he has made of his Department's Competitiveness UK initiative. [55076]

Mr. Mandelson: The initiative produced a number of good ideas for promoting competitiveness which I will include in the White Paper on competitiveness later this year.

Parcelforce

23. **Mr. Green:** To ask the Secretary of State for Trade and Industry when he expects to make a decision on the future of Parcelforce. [55077]

Mr. Ian McCartney: The future status of Parcelforce is being considered in the context of the Government's Review of the Post Office. The Government hope to announce their proposals shortly.

Electricity Pricing

24. **Mr. Ian Bruce:** To ask the Secretary of State for Trade and Industry if he will make a statement on the changes to be made to the setting of the pool price for electricity. [55078]

Mr. Battle: Recognising the inadequacies in the existing trading arrangements in October last year I asked the Director General of Electricity Supply (DGES) to look into the case for reforming them. The Government believe there is a need to build an electricity market which plays a full role in facilitating competition which people understand and trust and which is responsive to customer demands.

In July of this year the DGES identified that there are significant problems with the existing pool arrangements and made proposals for new electricity trading arrangements which would effectively replace the Pool with arrangements similar to those used in other commodity markets. I have asked for work to be put in hand to develop and implement new trading arrangements using these proposals as the starting point.

Science, Engineering and Technology

26. **Mr. Dobbin:** To ask the Secretary of State for Trade and Industry what steps he is taking to promote the use of science, engineering and technology across Government. [55080]

Mr. Mandelson: The effective use of science, engineering and technology is one of my key priorities. The Government have already allocated an additional £1.4 billion over the next three years, including £0.4 billion from the Wellcome Trust, to restore the excellence of the Science and Engineering Base. The forthcoming Competitiveness White Paper will demonstrate that science is fundamental to helping UK companies address the challenges of the knowledge-driven economy.

Within Government we will seek to ensure that policy and regulation are always based on the best available scientific evidence. Lord Sainsbury and I will be working with Ministers in other Government Departments both to make sure the Chief Scientific Advisor's Guidelines on the use of scientific advice in policy making are fully and rigorously implemented and to improve public confidence in the Government's use of scientific advice.

Exchange Rate

28. **Mr.Clappison:** To ask the Secretary of State for Trade and Industry what representations he has received on the impact of current levels of sterling on manufacturing companies seeking to export goods. [55084]

Mr. Wilson: I have had a number of representations from manufacturing exporters about the strength of sterling.

Interest Rates

29. **Mr. Rowlands:** To ask the Secretary of State for Trade and Industry what assessment he has made of the impact of current interest rates upon the manufacturing sector. [55087]

Mr. Battle: The Government recognise that the level of the pound and, more recently, the impact of financial difficulties in Asia, have been causing problems for exporters and manufacturers. However, the Government's economic policy framework will create long-term economic stability and ensure that we do not return to the boom and bust cycles which have done so much damage to the United Kingdom's manufacturing sector in the past.

31. **Mr. Flynn:** To ask the Secretary of State for Trade and Industry what assessment he has made of the effects of current levels of interest rates on the profitability of Britain's industry. [55089]

Mr. Battle: The Government's economic policy framework will promote long-term economic stability, and break with the cycle of boom and bust, and so establish the conditions for the long-term profitability of British industry.

Clothing and Textile Industry

30. **Mr. Woolas:** To ask the Secretary of State for Trade and Industry what representations he has received from the clothing and textile industry on the prospects for the industry. [55088]

Mr. Battle: During the course of the year, DTI Ministers have received a number of letters about the position of the industry from companies, MPs, trade unions and trade associations. In addition, DTI Ministers have met with representatives from the textile and clothing industry and the unions.

Part-time Workers Directive

Mr. Healey: To ask the Secretary of State for Trade and Industry what progress he is making on the implementation of the EC directive on part-time working. [55079]

Mr. Ian McCartney: We intend to take powers as soon as Parliamentary time permits to implement the Directive and to ensure equal pay for part-time workers. The

Directive will be fully implemented by the April 2000 deadline and we will aim to ensure the provisions are in place in good time for employers and employees to know the provisions and make arrangements.

Information Technology

Mrs. Dean: To ask the Secretary of State for Trade and Industry what steps his Department is taking to promote information technology on a local basis. [55082]

Mrs. Roche: This Government's aim is to ensure that the UK is recognised as a global leader in the Information Age. We therefore believe it is crucial that we encourage greater awareness and use of information and communication technologies (ICTS) by both business and individuals in the UK. Provision of advice on ICTs to small businesses at a local level is a core activity in the Department's Information Society Initiative (ISI) Programme for Business. This advice is provided by a UK wide network of local support centres which are based on Business Links and equivalent organisations in Scotland, Wales and Northern Ireland.

The IT for All initiative aims to raise awareness amongst the public of the benefits new technologies can bring in everyday life. About 3,000 local sites are currently listed on our database.

Regional Selective Assistance

Mr. Chope: To ask the Secretary of State for Trade and Industry what level of grant his Department is paying to the RSA in 1998–99; and what plans he has for 1999–2000. [55853]

Mrs. Roche *[holding answer 22 October 1998]:* The RSA budget for 1998–99 is £130 million. The Comprehensive Spending Review has set DTI's overall budget for the next three financial years. However, no decision has yet been taken on the allocations to individual programmes for 1999–2000.

Unimerco

Mr. Laurence Robertson: To ask the Secretary of State for Trade and Industry what factors he took into account when deciding to provide a grant to Unimerco; what assessment he made of its effect on British competitor companies; and if he will make a statement. [56560]

Mrs. Roche *[holding answer 28 October 1998]:* The application for Regional Selective Assistance (RSA) from Unimerco Ltd. was appraised against the criteria of that scheme which covers employment, viability, industrial and regional considerations, UK net benefit and need for assistance. Those criteria were fully satisfied. As part of the RSA appraisal process, advice was provided by the Department's market specialists on the wider industrial background to the application and the company's marketing plan. The application was also considered by the West Midlands Industrial Development Board which brought a commercial perspective to the decision making process and paid close attention to the value of the project for both the regional and national economy. An offer of grant was made when the Department was convinced that the project would result in net benefits to the UK economy and that assistance was necessary for the project to go ahead.

Chile

Mr. Paterson: To ask the Secretary of State for Trade and Industry (1) if he will make a statement on the promotion of British exports to Chile; [56568]

(2) what measures he is taking to maximise United Kingdom trade with Chile. [56569]

Mr. Wilson *[holding answer 28 October 1998]:* The full range of Government overseas trade services are available for Chile. This includes support for trade missions and trade fairs. Chile is included in an on-going programme of promotional events on Latin America. My Department also has an Export promoter, seconded from the private sector, promoting opportunities in Chile.

Regional Development

Mr. Pickthall: To ask the Secretary of State for Trade and Industry what estimate he has made of the financial impact per capita of the population of the removal of Objective 5b funding in the North West region. [56913]

Mrs. Roche: The Northern Uplands Objective 5b 1994–99 programme, covering parts of the North West, North East and Yorkshire, covers a population of 0.374 million people and 118 million ecu (in 1999 prices) over the six years.

It is not possible at this stage to estimate the impact of any potential changes to coverage until negotiations are completed on transitional arrangements and the Commission's broader rural development proposals.

European Space Agency

Mr. McWalter: To ask the Secretary of State for Trade and Industry if the United Kingdom Government will participate in the forthcoming European Space Agency Future Launcher Programme. [55384]

Mr. Battle *[holding answer 28 October 1998]:* The United Kingdom's participation in the European Space Agency's Future Launcher Technologies Programme will be considered when the likely benefits and costs to the United Kingdom have been assessed by the British National Space Centre with the help of the United Kingdom space industry.

Mr. McWalter: To ask the Secretary of State for Trade and Industry what assessment he has made of the capacity of British industry to contribute to the European Space Agency Future Launcher Programme. [55385]

Mr. Battle: The British National Space Centre has asked the United Kingdom space industry for its views on the European Space Agency's proposed Future Launcher Technologies Programme and will assess the capacity of British industry to contribute to the programme in light of the industry's response.

Minimum Wage

Mr. Lansley: To ask the Secretary of State for Trade and Industry if he will publish the basis of his calculation of the jobs impact of the minimum wage. [55085]

Mr. Ian McCartney: I refer the hon. Member to the reply I gave to the hon. Member for Banbury (Mr. Baldry) on 23 June 1998, *Official Report*, column 473.

Manufacturing Industry

Mr. Bill Michie: To ask the Secretary of State for Trade and Industry when he next expects to meet representatives of manufacturing industry to discuss the competitiveness of manufacturing industry. [55051]

Mr. Mandelson: I meet representatives of manufacturing frequently to discuss competitive issues. I am pleased, for example, to be attending the "Made in Sheffield" dinner tonight.

Small and Medium Enterprises

Dr. George Turner: To ask the Secretary of State for Trade and Industry what priorities he has identified for his Department in respect of assistance for small and medium businesses. [55083]

Mrs. Roche: The Government's single most important priority is to create and sustain a sound economic framework in which small firms can develop and grow.

Specific priorities are to address barriers to SMEs, such as obtaining finance, inappropriate regulatory burdens and accessing business support.

Working Time Directive

Mr. Sayeed: To ask the Secretary of State for Trade and Industry, pursuant to his oral answer of 21 October 1998, *Official Report*, column 1287, if he will estimate the year on year cost of the Working Time Directive to the Rover Group. [56520]

Mr. Ian McCartney *[holding answer 26 October 1998]:* No specific estimate has been made of the costs to individual sectors or companies. An assessment of costs for the whole of British industry is held in the Library of the House.

Any cost of implementing the Regulations needs to be compared with the benefits of helping to combat stress and absenteeism by ensuring workers receive proper rest and so reducing costs to industry. The CBI estimate up to £25 billion was lost in 1996 due to absenteeism. The London School of Economics also estimates that current staff turnover levels cost employers up to £1.8 billion.

Trade (Burma)

Mr. Alan Simpson: To ask the Secretary of State for Trade and Industry if his Department's Asia-Pacific Advisory Group currently promotes trade with Burma. [56933]

Mr. Wilson: No.

HEALTH

Antibiotics

Mr. Gordon Prentice: To ask the Secretary of State for Health what views the United Kingdom representative at the Copenhagen Conference of EU Chief Medical Officers in September expressed concerning the use of antibiotics as growth promoters. [56168]

Ms Jowell: The Department did not send a formal representative to the conference but funded the attendance of officials and experts. The Deputy Chief Medical Officer, Dr. Jeremy Metters, chaired one of the preceding workshops on "elements of good practice in the use of antimicrobial agents". The conclusion of this workshop was that the use of antibiotics as growth promoters should be phased out. A preliminary report on the conclusions and recommendations emerging from the conference is available, copies of which have been placed in the Library.

Mental Health Care Groups

Mr. Willis: To ask the Secretary of State for Health what plans he has to create discrete mental health care groups within area health authorities. [56212]

Ms Jowell: None. We need to remove the "Berlin Wall" between health and social care in order to provide the most effective support for people with mental illness rather than create new barriers. That is why we issued, on 16 September 1998, a discussion document "Partnership In Action—New Opportunities for Joint Working between Health and Social Services" setting out our proposals to enable authorities to work better together.

Dentistry

Jackie Ballard: To ask the Secretary of State for Health what is the total amount of funds allocated to Investing in Dentistry up to 30 September; which health authority areas have applied for funds to date; how much each bid for; and how many applications have been successful in each health authority area. [56489]

Mr. Milburn: Since the Investing in Dentistry initiative was announced in September 1997, grants totalling £6,161,352 have been approved. The table gives details of the health authorities that submitted Investing in Dentistry funding requests to my right hon. Friend the Secretary of State in 1997–98 and 1998–99 to date, the gross amount of funding requested and the number of applications approved.

Investing in dentistry requests by health authority

Health authority	*Number of applications approved*	*Gross funding requested (£)*
Avon	4	363,100
Barnet	—	214,900
Barnsley	3	97,700
Bedfordshire	2	30,000
Berkshire	5	175,000
Bexley and Greenwich	—	396,000
Birmingham	1	76,700
Bradford	1	354,300
Bury and Rochdale	—	33,100
Calderdale and Kirklees	—	186,400
Cambridge and Huntingdon	4	396,400
City and East London	5	290,800
Cornwall and the Isles of Scilly	7	932,700
County Durham	3	312,000
Coventry	—	49,000
Doncaster	2	119,400
Dorset	2	55,400
Dudley	—	39,500
Ealing, Hammersmith and Hounslow	6	155,000
East Kent	—	518,400
East Lancashire	1	605,600
East Norfolk	3	453,800
East Riding	6	377,300

Investing in dentistry requests by health authority

Health authority	*Number of applications approved*	*Gross funding requested (£)*
Enfield and Haringay	—	197,000
Gloucestershire	10	457,900
Herefordshire	2	60,000
Isle of Wight	2	165,000
Kensington, Chelsea and Westminster	—	267,000
Lambeth, Southwark and Lewisham	—	207,000
Leeds	—	492,455
Leicestershire	2	162,100
Lincolnshire	2	130,000
Liverpool	1	147,100
Merton, Sutton and Wandsworth	1	51,100
Morecombe Bay	6	183,000
Newcastle and North Tyneside	2	199,600
Northamptonshire	3	70,000
North Cheshire	1	50,000
North Cumbria	5	309,300
North Derbyshire	1	60,400
North and East Devon	6	264,600
North Essex	2	38,400
North and Mid Hampshire	5	544,900
North Staffordshire	6	214,500
North West Lancashire	5	311,700
North Yorkshire	8	550,900
North West Anglia	—	90,000
Nottingham	2	222,800
Oxfordshire	6	242,000
Portsmouth and South East Hampshire	5	719,400
Redbridge and Waltham Forest	4	209,700
Rotherham	6	312,700
Salford and Trafford	2	22,200
Sandwell	—	151,000
St. Helens and Knowsley	3	162,100
Shropshire	7	303,500
Somerset	5	722,200
Southern Derbyshire	1	116,600
South Cheshire	7	200,700
South Essex	1	45,000
South Humber	2	83,000
South Lancashire	1	172,400
South Staffordshire	2	143,000
South West Devon	8	282,000
Southampton and South West Hampshire	8	888,800
Stockport	—	14,000
Suffolk	6	124,000
Sunderland	—	207,620
Tees	—	146,914
Walsall	—	100,500
Warwickshire	—	154,000
West Hertfordshire	1	107,900
West Kent	2	80,200
West Surrey	4	791,600
West Sussex	5	726,100
Wigan and Bolton	1	194,000
Wiltshire	14	1,128,600
Wirral	—	77,000
Wolverhampton	—	132,500
Worcestershire	1	232,000

Notes:

1. Gross funding figures have been rounded up to the nearest hundred pounds

2. Some gross funding figures may be inflated due to the inclusion of revised or re-submitted applications

Agency Nurses (Greater London)

Mr. Cox: To ask the Secretary of State for Health how many agency nurses have been employed at NHS hospitals in the Greater London area during the last 12 months; and what was the cost of this employment. [56719]

Mr. Milburn: The National Health Service Executive does not record the numbers of agency nurses employed in NHS hospitals. The latest available figures show that in 1996–97, £108.8 million was spent employing agency nurses in NHS hospital trusts in Greater London.

Carers

Mr. Kidney: To ask the Secretary of State for Health how many carers are themselves minors in *(a)* Staffordshire, *(b)* the West Midlands and *(c)* England; and what proportions such figures represent of (i) all carers and (ii) all minors in the latest year for which figures are available. [56660]

Ms Jowell: In 1996, the Office for National Statistics published results of the first national study based on a sample of young carers taken from the general population. Copies of this report "Young carers and their families" are available in the Library.

It was estimated from the research that there were 32,000 young carers in Great Britain aged 8 to 17, representing 0.5 per cent. of the population in this age range. Estimates for England and by region are not available.

The 1995 General Household Survey estimated that the number of informal carers in Great Britain aged 16 and over was 5.7 million.

Nurse Training

Mr. Bob Russell: To ask the Secretary of State for Health what requirements are placed on employers of nurses to provide time and pay for continuation training; what action is taken to ensure that nurses do not have to fund their own continuation training nor undertake it in their own time; and by what means he monitors the performance of employers in respect of continuation training of nurses. [56436]

Mr. Milburn: The level of investment in the continuing professional development of National Health Service staff is a matter for employers. We expect them to have personal development plans in place for the majority of professional staff by April 2000. We shall be considering the need for any other measures in the light of the response to our consultation document; "A First Class Service".

Clinical Psychologists

Mr. Steinberg: To ask the Secretary of State for Health (1) how many clinical psychologists are employed in the NHS in grades *(a)* assistant psychologist, *(b)* trainee psychologist, *(c)* grade A psychologist and *(d)* grade B psychologist; [56506]

(2) what is the current age distribution of clinical psychologists; [56448]

(3) if he will list the number of clinical psychologists at each spinal point of their wage scale; [56447]

(4) how many clinical psychologists currently work in the NHS. [56445]

Mr. Milburn: There are 3,800 clinical psychologists (whole time equivalents) working in the National Health Service. It is not possible to say how many were employed in each grade or spine point because information is now broken down into the five categories shown in the table (manager, scientist, scientific officer, technician and student/trainee).

NHS Hospital and Community Health Services (HCHS):
scientific, therapeutic and technical staff by age bands in the clinical psychology area of work in England as at 30 September 1997
whole-time equivalents

	All clinical psychology staff	*Manager*	*Scientist*	*Scientific Officer*	*Technician*	*Student/ trainee*
less than 25	260	*	70	140	10	40
25 to 29	790	*	330	180	10	270
30 to 34	670	10	530	50	*	70
35 to 39	540	20	470	30	10	20
40 to 44	530	20	460	30	10	10
45 to 49	520	30	450	20	10	*
50 to 54	330	20	290	10	*	0
55 to 59	110	10	100	*	*	0
60 to 64	30	0	30	*	0	*
65 +	*	*	*	0	0	0
Unknown	10	*	10	0	0	0
All staff	3,800	120	2,730	480	50	420

Notes:
1. Figures are rounded to the nearest ten
2. * 5 or less and greater than zero
3. Due to rounding totals may not equal the sum of component parts

Source:
Department of Health Non-Medical Workforce Census 1997

Abortion Costs (Barnet)

Dr. Vis: To ask the Secretary of State for Health what was the average cost of a first trimester abortion by vacuum aspiration in the Barnet Health Authority in 1997. [56903]

Ms Jowell: The average cost of a first trimester abortion by vacuum aspiration in the Barnet Health Authority in 1997 was £300 for a day case episode.

Childbirth Costs (Barnet)

Dr. Vis: To ask the Secretary of State for Health what was the average cost of childbirth in the Barnet Health Authority in 1997, including the cost of ante-natal and post-natal care. [56898]

Ms Jowell: The average cost of childbirth in the Barnet Health Authority in 1997, including the cost of ante-natal and post-natal care is approximately £2,000.

Young People (Housing and Social Services)

Mr. Webb: To ask the Secretary of State for Health what plans he has to improve housing and social services provision for 16 and 17 year olds who are no longer able to remain in the parental home and who are not in paid employment. [56453]

Ms Jowell: We are looking at ways in which local authorities can make better and more effective provision for looked after children who are leaving care. We will set out our proposals when we publish our responses to the Children's Safeguards Review.

Training

Mr. Hancock: To ask the Secretary of State for Health how many associate specialists appointed in each of the last five years have had their training accredited; and what proportion of those entering ENT clinics have had their training accredited. [57162]

Mr. Milburn: The information requested is not held centrally.

Sight Tests

Mr. Corbett: To ask the Secretary of State for Health if he will estimate the cost of offering free sight tests to all people of Afro-Caribbean origin resident in the United Kingdom who are currently not exempt from payment. [57224]

Mr. Milburn: Assuming that the same proportion of Afro-Caribbean residents are eligible for free National Health Service sight tests as in the population as a whole and they have their sight tested at the same frequency, about £3 million per annum.

Creutzfeldt-Jakob Disease

Mr. Duncan: To ask the Secretary of State for Health what assessment his Department has made of the relative risk of contracting new variant CJD from *(a)* cross-contamination between patients from hospital surgical instruments used in tonsillectomies and appendectomies and *(b)* eating beef on the bone. [57200]

Ms Jowell: After careful consideration of the case in which the abnormal prion protein associated with new variant Creutzfeldt-Jakob disease (nvCJD) was detected in the appendix of a patient who had subsequently died of the disease, the Joint Working Group of the Advisory Committee on Dangerous Pathogens (ACDP) and the Spongiform Encephalopathy Advisory Committee (SEAC) concluded that given all the circumstances surrounding the use of surgical instruments the risk to other patients was minimal.

SEAC has subsequently reviewed the implications of this incident for the risks generally of transmission of nvCJD through surgical instruments. The Committee concluded that because so little is known about the infective agent further studies were needed before a definitive assessment of risk could be undertaken.

Our decision to ban the sale of beef on the bone was taken in the light of advice from SEAC and taking account of the views of the Chief Medical Officer. This advice, together with the Government's response, is published, and copies are available in the Library.

The very limited information about risks in either case means that it is not possible to make any meaningful comparison of the risk of contracting nvCJD through contaminated surgical instruments and eating beef on the bone.

Autism

Mrs. Ewing: To ask the Secretary of State for Health how many children below the age of five years were diagnosed as being autistic in each year since 1970. [56975]

Mr. Hutton: Information about the number of children below the age of five years diagnosed as being autistic is not held centrally. It is for the local statutory authorities to determine the needs of children with autism in their area and work together effectively to ensure that these needs are met.

Sudden Death Syndrome

Mr. Jenkins: To ask the Secretary of State for Health what recent representations he has received from *(a)* organisations and *(b)* hon. Members regarding Sudden Death Syndrome. [57136]

Mr. Hutton: Ministers have received twenty-eight letters about sudden death syndrome, almost all of which were from, or on behalf of, representatives of the organisation Cardiac Risk in the Young. Of these, 20 were from hon. Members and the remaining eight were from members of the public.

Most of the representations received pressed for wider recognition of the impact made by sudden death, particularly in the young, and included requests for consideration of funding under the Section 64 scheme.

Cardiac Disease (Young People)

Mr. Jenkins: To ask the Secretary of State for Health what research his Department is supporting into the treatment of cardiac disease in otherwise healthy young people. [57134]

Mr. Hutton: The Department funds a comprehensive programme of research and development into the treatment and prevention of heart disease, though nothing specifically on treatment for this group of people.

The Medical Research Council, which is funded by the Office of Science and Technology, commissions most of the Government's research into clinical issues. The Council is always open to new sound scientific proposals, in competition with other applications.

Magnetic Resonance Imaging

Helen Jones: To ask the Secretary of State for Health what estimate he has made of *(a)* the number of NHS trusts which provide MRI scanning and *(b)* the number of trusts which use private companies to provide that service. [57117]

Mr. Hutton: No statistics are held centrally on the provision of Magnetic Resonance Imaging (MRI) scanning services in the National Health Service. However we estimate that MRI services are provided by approximately 150 NHS trusts and approximately 50 privately owned scanners are used by NHS patients.

Helen Jones: To ask the Secretary of State for Health what estimate he has made of the number of NHS trusts planning to provide new MRI services over the next five years; and, of these, how many intend to use private companies to provide that service. [57116]

Mr. Hutton: The information requested is not held centrally.

Professions Allied to Medicine

Helen Jones: To ask the Secretary of State for Health what estimate he has made of the number of people working in professions allied to medicine who have left the NHS over the past five years; and what proportion of the total NHS workforce in those professions this figure represents. [57118]

Ms Jowell: The information requested is not collected centrally. I refer my hon. Friend to the 15th Report on Professions Allied to Medicine issued by the Review Body for Nursing Staff, Midwives, Health Visitors and Professions Allied to Medicine (January 1998) for statistics about the number of Professions Allied to Medicine leaving the National Health Service; copies are available in the Library.

Pain Killers

Mr. Flynn: To ask the Secretary of State for Health what research his Department has evaluated into the relative effectiveness of *(a)* dextropropoxphene used in combination with paracetamol and *(b)* paracetamol alone in acute pain relief. [56543]

Ms Jowell: All applications for marketing authorisations to place a medicinal product on the market must be supported by data showing the safety, quality and efficacy of the product. The Medicines Control Agency assesses this data and permits a product to be placed on the market only if it is satisfied that the data submitted by the applicant prove the safety, quality and efficacy of the product. The Medicines Control Agency does not, however, make any assessment of comparative efficacy of any medicinal product.

AGRICULTURE, FISHERIES AND FOOD

Countryside Stewardship

Mr. Walter: To ask the Minister of Agriculture, Fisheries and Food what proportion of applications for

management agreements under the countryside stewardship scheme were rejected in *(a)* 1996, *(b)* 1997 and *(c)* 1998 to date. [56549]

Mr. Morley *[holding answer 27 October 1998]:* In 1996, 2,584 Countryside Stewardship applications were received and 1,135 agreements offered (43.9 per cent); in 1997, 2,217 applications were received and 1,197 agreements were offered (54 per cent.); and, in 1998, 2,444 applications were received and we plan to offer approximately 1,344 agreements (55 per cent.). The approved applications were those which offered best value for money; the rejected applications include those which were ineligible.

Mr. Walter: To ask the Minister of Agriculture, Fisheries and Food what assessment his Department has made of the implications of budget reductions on the countryside stewardship agri-environment scheme. [56667]

Mr. Morley *[holding answer 27 October 1998]:* The Countryside Stewardship budget has increased annually, enabling new agreements with a first year cost of £5.9 million in 1997 and £6.5 million this year to be approved.

Mr. Walter: To ask the Minister of Agriculture, Fisheries and Food what action is presently being taken by his Department to promote countryside stewardship in Dorset. [56665]

Mr. Morley *[holding answer 27 October 1998]:* The Ministry is consulting interested local organisations and statutory bodies to identify the priorities for the scheme for the coming year. We will also clarify the scale of funding available and thus the number of applications it would be reasonable to consider.

Mr. Walter: To ask the Minister of Agriculture, Fisheries and Food (1) how much of his Department's budget has been allocated to the countryside stewardship agri-environment scheme in *(a)* 1998 and *(b)* 1999; [56666]

(2) what plans he has to increase the budget allocation to the countryside stewardship agri-environment scheme. [56668]

Mr. Morley *[holding answer 27 October 1998]:* The financial provision for the Countryside Stewardship scheme for payments to agreement holders in 1998/99 is £21.2 m. The budget for the scheme in 1999/2000 is still under consideration but it will be an increase on this year.

Piers

Mr. Sanders: To ask the Minister of Agriculture, Fisheries and Food what is his policy for the protection of seaside resort piers and esplanades from coastal erosion. [55707]

Mr. Morley: The Government's policy aims to reduce the risks to people and the developed and natural environment from flooding and coastal erosion by encouraging the provision of adequate and technically, environmentally and economically sound and sustainable defences. Local authority proposals for coast protection capital works which protect seaside resort piers and esplanades or where piers or esplanades contribute to coastal defence may be considered for approval under the Coast Protection Act 1949 and for funding assistance.

Recycling

Mr. Beith: To ask the Minister of Agriculture, Fisheries and Food what proportion of paper used by his Department is recycled. [55721]

Mr. Morley: All the paper used by this department is either recycled or made from sustainable managed forests and is elemental chlorine free and made without the use of chlorine gas. According to the suppliers, about 1 per cent. of the paper provided during 1 April 1997 to 31 March 1998 was recycled.

Flood Defences

Mr. Sanders: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the Environment Agency's regional flood defence business plans for the South West; and if he will make a statement. [55719]

Mr. Morley: I am aware that the Environment Agency has put together a business plan which sets out options for the programme of flood defence work that needs to be done in the South West region. The Government set the strategy but a Government assessment of such plans would in practice amount to another level of approval and undermine the proper responsibility of the Agency. I shall be writing to the Chairmen of all Regional Flood Defence Committees about strategic flood defence priorities in the wake of the Report by the Independent Review Team on the flooding that occurred at Easter this year, and the business plan will need to take account of that.

Supermarket Produce

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the volume of produce wasted annually as a result of rejection by supermarkets solely on grounds of appearance; and if he will make a statement. [56350]

Mr. Morley *[holding answer 26 October 1998]:* I have made no such assessment. These are matters for resolution between supermarkets and their suppliers and customers.

Organic Farming

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food, pursuant to the answer to my hon. Friend the Member for Montgomeryshire (Mr. Öpik) of 2 April 1998, *Official Report*, columns *655–56*, what progress has been made in identifying the implications for organic farmers of cross contamination with pollen from genetically modified crops. [56357]

Mr. Morley *[holding answer 26 October 1998]:* The research referred to is to be conducted by the John Innes Centre in conjunction with Elm Farm Research Centre. A contract for this work is expected to be finalised in the near future. The work is expected to take 5 months and the results will then be considered by MAFF and the United Kingdom Register of Organic Food Standards (UKROFS).

Written Answers to Questions

Monday 2 November 1998

ATTORNEY-GENERAL

Cash Limit

Dr. Vis: To ask the Attorney-General what changes he proposes for the Crown Prosecution Service's cash and running costs limits for 1998–99. [58160]

The Attorney-General: Subject to parliamentary approval of the necessary supplementary estimate, the cash limit for Class VIII Vote 4 will be increased by £8,253,000 from £220,673,000 to £228,926,000 and the gross running costs limit for Class VIII Vote 4 will be increased by £4,153,000 from £216,767,000 to £220,920,000.

The cash limit increase of £8,253,000 includes funding to meet the transitional costs of the internal reforms set out in the Glidewell report "The Review of the Crown Prosecution Service", published in June 1998 (Cm 3960).

It also provides for further rationalisation of the department's estate and the implementation of a number of criminal justice initiatives including those arising from the Crime and Disorder Act 1998.

The increases will be offset by a transfer of £1,153,000 from the Home Office, the take up of £1,800,000 of the department's end year flexibility of £3,400,000, as announced by the Chief Secretary to the Treasury on 14 July 1998, *Official Report,* columns *131–36*, and a charge of £5,300,000 to the Reserve. It will not, therefore, add to the planned total of public expenditure.

INTERNATIONAL DEVELOPMENT

Parliamentary Questions

Mr. Maples: To ask the Secretary of State for International Development when she plans to provide a substantive reply to the question from the hon. Member for Stratford-on-Avon tabled on 7 October 1998. [58000]

Clare Short: Shortly.

Female Genital Mutilation

Ms McCafferty: To ask the Secretary of State for International Development what is the Government's policy on working to eradicate the practice of female genital mutilation in developing countries. [57534]

Clare Short: Female genital mutilation is both a health and a human rights issue. It contravenes several United Nations Conventions. The Government's policy is to try to persuade countries where the practice occurs to take steps to reduce and eventually eliminate it. Most Governments oppose it, and welcome assistance from donor partners to change attitudes within their countries. In other cases, we try to exert influence through quiet diplomacy and by providing support to strengthen laws against harmful traditional practices. Supporting efforts to help women exercise their human rights is a key part of the Department for International Development's (DFID) strategy.

At the 1998 session of the UN Commission on Human Rights the UK co-sponsored a resolution—"The elimination of violence against women"—which called upon states to eradicate traditional or customary practices, particularly female genital mutilation, that are harmful or discriminate against women, through the development and implementation of national legislation and policies prohibiting such practices, the prosecution of perpetrators, awareness-raising programmes, education and training.

Care for the consequences of female genital mutilation in poorer countries is extremely limited. Many complications go untreated. We are seeking to help in three main ways:

by ensuring wide awareness of the issue;

by funding research;

by supporting activities and projects designed to change behaviour in the long term; for example, we finance local and regional workshops to identify priorities at field level to which donors can respond.

Ms McCafferty: To ask the Secretary of State for International Development which young girls' and women's health projects have included education on female genital mutilation in each year since the endorsement of the 1994 Cairo Plan of Action by the UK Government; which NGOs have carried out those projects and in which countries; and what was the total amount of funding for these projects in *(a)* 1995, *(b)* 1996 and *(c)* 1997. [57535]

Clare Short: This information could not be fully collected in the time available. I shall write to my hon. Friend and place a copy in the Library of this House.

Russia

Mr. Alan Simpson: To ask the Secretary of State for International Development what aid and assistance the United Kingdom has given to the Russian people following their recent currency crises. [57929]

Clare Short: The Department for International Development continues to provide bilateral technical assistance to Russia via the Know-How Fund. This extends across a range of economic and social sectors. We also continue to contribute via various multilateral agencies, in particular the EU/Tacis programme. In addition, we are monitoring carefully the need for humanitarian assistance this winter. With our G7 partners we are encouraging the Russian Government to adopt appropriate economic policies to allow a resumption of IMF and other financial flows.

Sudan

Mr. Cox: To ask the Secretary of State for International Development if she will make a statement on her Department's current relationship with the Government of Sudan with regard to aid projects. [57765]

Clare Short: We do not provide aid through Government of Sudan channels. Our bilateral development programme was terminated in 1991. Our substantial

programme of humanitarian assistance, £34 million since January including our share of EC assistance, is channelled through UN agencies and international non-government organisations, including the International Committee of the Red Cross. Some small project grants are provided direct to local grass roots organisations.

Commonwealth Development Corporation

Mr. Streeter: To ask the Secretary of State for International Development what provision has been made in her Department's budget in the financial years *(a)* 1999–2000, *(b)* 2000–01 and *(c)* 2001–02 as a result of the privatisation of the Commonwealth Development Corporation. [57612]

Clare Short: Some of the anticipated proceeds from the sale of CDC were taken into account in the provision agreed for the aid programme in the Comprehensive Spending Review announced in July. The precise level of proceeds received from the sale will depend on the prevailing market conditions. It would not be appropriate for market and commercial sensitivity reasons to give estimates of likely proceeds.

Non-governmental Organisations

Mr. Streeter: To ask the Secretary of State for International Development what percentage of her Department's budget will be made available to UK-based non-governmental organisations, in *(a)* 1998–99, *(b)* 1999–2000, *(c)* 2000–01 and *(d)* 2001–02. [57610]

Clare Short: In 1998–99 about 6 per cent. of the Department's bilateral aid programme budget will be channelled directly through non-governmental (NGOs) and civil society organisations by means of the Joint Funding Scheme and support for Voluntary Service Overseas. NGOs are also contracted by the Department for International Development (DFID) to deliver projects within country programmes; these arrangements are handled within regional programme budgets, and it is not possible to give a total figure.

DFID's annual resource allocation exercise, which is now under-way will determine future allocations within the aid programme. The outcome of this exercise will be reported in the Departmental Report in April 1999.

Partnerships

Mr. Streeter: To ask the Secretary of State for International Development if she will list the countries referred to in paragraph 16.5 of the Comprehensive Spending Review (Cm 4011) in which she currently considers that *(a)* her Department is able to involve itself in a partnership to eradicate poverty; and *(b)* those where it is not possible to involve the host Government in an effective partnership. [57611]

Clare Short: The White Paper on international development which we published a year ago set out this Government's plans for helping to reduce world poverty by working in partnership with poor countries which are themselves committed to poverty reduction.

It is not helpful and would be simplistic to try to list countries with which partnership may or may not be possible. We provide an analysis of progress in each country where we have a significant programme within the framework of the country strategy process. Completed country strategy papers are publicly available. They outline in detail our view of the prospects for development and partnerships.

Health Education

Mr. Martyn Jones: To ask the Secretary of State for International Development what proposals the Government have to increase investment in family planning and sexual and reproductive health to match the planned increases in the overseas aid budget. [57194]

Clare Short: We wish to pursue focused investment and action that contributes directly to poor countries' attainment of the international development goals. Strengthening health systems' capacity to meet basic needs—including reproductive health needs—will be a priority theme for new expenditure.

Mr. Martyn Jones: To ask the Secretary of State for International Development what priority the Government give to adolescent sexual health education and services within its human development targets set out in the White Paper, Eliminating World Poverty. [57195]

Clare Short: The White Paper sets out our intention to help ensure that all people, whether younger or older, are able to access and benefit from sexual and reproductive health care information and services. We know that young people are particularly vulnerable to sexual infection and dangers associated with pregnancy. Our approach will increasingly emphasise and respond to their needs.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Fuel Tax

Mr. Blizzard: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the effect on car usage arising from the fuel tax escalator. [56728]

Ms Glenda Jackson: The fuel duty escalator will have some impact in reducing vehicle mileage but its main purpose is to reduce fuel consumption and hence carbon dioxide emissions, the main greenhouse gas. By 2010, overall fuel duty increases from 1997 to 2002 under the escalator of on average at least 6 per cent. real increases in fuel duty each year are estimated to result in carbon dioxide savings of between 2 and 5 million tonnes of carbon and traffic reduction of around 12 billion kilometres, most of which arises from reduced car use.

Cell Powered Vehicles

Mr. Blizzard: To ask the Secretary of State for the Environment, Transport and the Regions what measures he is taking to prepare for the introduction of fuel cell powered vehicles. [56730]

Ms Glenda Jackson: The Government have a number of programmes to encourage the production and use of fuel cell vehicles, such as the Department of Trade and Industry's Advanced Fuel Cell and Foresight Vehicle programmes. In addition, we are encouraging local authorities and business to look at cleaner vehicles and fuels in order to help to meet our environmental

objectives, including the national air quality strategy objectives. Further support for the introduction of fuel cell powered vehicles, for example, support for new fuel infrastructure, would depend upon how the technology and the market develop and which fuel or fuels emerge as the main fuel source for fuel cell vehicles.

Dual Carriageways

Mr. Blizzard: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the number of miles of dual carriageway road per unit area for each county. [56742]

Ms Glenda Jackson: The information required for this question will be placed in the Library of the House.

Area Cost Adjustment (Hertfordshire)

Mr. Clappison: To ask the Secretary of State for the Environment, Transport and the Regions what contribution the area cost adjustment made to the amount of standard spending assessment which Hertfordshire received in respect of *(a)* all services, *(b)* education, *(c)* police and *(d)* personal social services in (i) 1996–97 and (ii) 1997–98. [56836]

Ms Armstrong: A table showing these figures for each local authority in Hertfordshire has been placed in the House of Commons Library.

Millennium Dome

Mr. Öpik: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on progress with transport provision for visitors to the Millennium Dome. [56921]

Ms Glenda Jackson: Good progress is being made on all aspects of the transport arrangements for the Dome. In particular, the Government welcome London Transport's recent appointment of Bechtel to manage the completion and commissioning stages of the Jubilee Line Extension. It is now planned to open the new line in three stages: first, from its eastern terminus at Stratford to the Dome at North Greenwich by the late Spring of next year, adding the next section through to Waterloo by late Summer and the final section through to Green Park by late Autumn, which will still be in good time for the opening of the Millennium Experience at the turn of the year.

City Cruises which will be providing river boat services from central London has placed orders for four new boats. The contract to build the new pier at the Dome has been let. London Central has been selected to operate the Millennium Transit bus service between Charlton railway station and the Dome via the Millennium Village. Railtrack is planning to improve the station and Greenwich will improve the road to provide a new bus turnaround facility. Part of the journey to the Dome will be over a segregated busway which it is proposed will incorporate electronic guidance.

Waterways

Mr. Pearson: To ask the Secretary of State for the Environment, Transport and the Regions what action the Government are taking to encourage more freight to be transported on United Kingdom inland waterways. [56429]

Ms Glenda Jackson: The Government are keen to encourage greater use of inland waterways, where that is a practical and economic option. The Department currently gives Freight Facilities Grants for inland waterways schemes where freight would otherwise have gone by road. The Department will be re-examining the rules of the scheme to try to encourage more applications for inland waterways. The budget for the Freight Facilities Grant was increased this year by one third to £40 million.

In addition the Department—as stated in the Government's White Paper "A New Deal for Transport: Better for Everyone"—is working to update planning guidance on transport which will encourage more freight to be carried by water. Local authorities in their development plans will be expected to consider opportunities for new development which are served by waterways; and to give better protection to sites and routes, both existing and potential, which could be critical in developing infrastructure to widen transport choices, including water transport.

Mr. Pearson: To ask the Secretary of State for the Environment, Transport and the Regions what action the Government are taking to encourage more leisure and tourism activities on United Kingdom inland waterways. [56430]

Mr. Meale: The Government believe the waterways are a substantial asset and have an important role in a number of areas such as leisure and tourism, heritage, amenity, conservation, regeneration and transport. We want to raise the profile of the waterways and increase their potential. We intend to publish in the next few months an inland waterways policy paper.

It is estimated that over 10 million people visit the waterways each year, representing a total of over 280 million informal visits. Within these figures there are: 1.6 million private pleasure boaters, 350,000 holiday hire boaters, 1.5 million pleasure trip boaters and 4.6 million angler visits. The inland waterways generate an estimated £10 million each year in water-related tourism expenditure, and £2.78 million in hire boat expenditure. It is estimated that 63,000 people are employed in water related jobs.

The Government-sponsored British Tourist Authority (BTA) is actively promoting the waterways of Britain and Ireland. The campaign, involving partnerships with the main waterway industry operators, local authorities and National Tourist Boards, is promoted through most of BTA's 46 overseas offices. BTA's brochure 'Waterway Britain and Ireland' presents waterway travel as an alternative, sustainable way of touring the British Isles.

The day-to-day management and operation of the inland waterway network rest with British Waterways, the Environment Agency, the Broads Authority and a range of other public and private bodies. The three main navigation authorities work closely with BTA, regional and national tourist boards and with the private sector to promote leisure and tourism opportunities on their respective waterways.

The Association of Inland Navigation Authorities, which represents around 30 authorities, is finalising a strategy for the inland navigations of the United Kingdom.

This will include objectives for the navigation authorities to meet in relation to developing tourism and leisure opportunities on the waterways network.

The Inland Waterways Amenity Advisory Council is undertaking a report to demonstrate ways in which the waterways in West Yorkshire can be developed for tourism, leisure and community use.

Railway Crossings

Mr. Ivan Henderson: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the statutory consultation requirements and the statutory safety requirements that need to be put in place before a railway foot crossing can be transferred from manned to unmanned status. [57073]

Ms Glenda Jackson: If a railway authority proposes changing a railway foot crossing to unstaffed status, it must request the Secretary of State to make an Order (which would specify the necessary safety arrangements) authorising the change in status, and notify each local authority in whose area the crossing is situated of the proposed change, allowing not less than two months for those authorities to make representations to the Secretary of State. The Secretary of State must take account of any representations received before deciding whether or not to make the Order.

Channel Tunnel Rail Link

Mr. Gordon Prentice: To ask the Secretary of State for the Environment, Transport and the Regions what recent representations Railtrack has made to him about its involvement in the Channel Tunnel Rail link project. [57190]

Dr. Reid: Following the announcement in the House on 3 June 1998, *Official Report*, columns 367–70, by my right hon. Friend the Deputy Prime Minister of revised arrangements for the Channel Tunnel Rail Link, officials have had intensive discussions with Railtrack and other parties involved in the CTRL so as to conclude the various agreements which flow from the June announcement.

Housing Ballots

Mr. Sanders: To ask the Secretary of State for the Environment, Transport and the Regions if he will reassess his policy on housing ballots in the light of the CitySide HARCA and Poplar II HARCA ballots; and if he will make a statement. [57040]

Mr. Raynsford: Under Schedule 3A to the Housing Act 1985 (as inserted by section 6 of and Schedule 1 to the Housing and Planning Act 1986) the Secretary of State shall not give his consent to a proposed housing stock transfer if it appears to him that a majority of the tenants do not wish the transfer to proceed.

The local authority seeking consent will accordingly need to demonstrate that it has carried out adequate consultation and provide evidence of tenants' views. Although a ballot is not a statutory requirement, we believe that a properly conducted formal ballot is probably the best way in which an authority can satisfactorily demonstrate that a majority of tenants are not opposed to the transfer.

Poplar II HARCA (Tower Hamlets)

Mr. Sanders: To ask the Secretary of State for the Environment, Transport and the Regions if he has received a formal bid from the London Borough of Tower Hamlets in respect of the Poplar II HARCA. [57041]

Mr. Raynsford: The London Borough of Tower Hamlets made a bid for a grant for the Poplar II transfer under Round 2 of the Estates Renewal Challenge Fund in December 1996. Funding for the scheme was approved in February 1997. A formal application for consent to transfer was submitted on 27 October 1998.

Radioactive Waste

Mr. Llew Smith: To ask the Secretary of State for the Environment, Transport and the Regions what changes he plans to make in the membership of the Radioactive Waste Management Advisory Committee. [57099]

Mr. Meacher: The new membership of the Radioactive Waste Management Advisory Committee will be announced shortly. The composition of the new Committee will be in line with the membership template set out in the reply given to the hon. Member for Northampton, South (Mr. Clarke) on 16 July 1998, *Official Report*, columns *243–44*.

A11

Mr. Spring: To ask the Secretary of State for the Environment, Transport and the Regions if he will give a breakdown of the timescale for the dualling of the A11 from the Fiveways Roundabout Great Barlow to Thetford. [57068]

Ms Glenda Jackson: The Government's review of the roads programme, "A New Deal for Trunk Roads in England", confirmed that, although work on this scheme was not sufficiently advanced for inclusion in the Targeted Programme of Improvements, preparatory work would continue.

Further programming of work on schemes following the roads review is currently being considered.

Railway Services

Mr. Webb: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the average lateness of those Great Western trains which are categorised as late in the most recent statistics produced by OPRAF. [57078]

Ms Glenda Jackson: OPRAF's figures show what proportion of Great Western trains arrive at their final destination more than 9 minutes 59 seconds late. This is a general indicator of their overall performance, although we know that some services may be much later than this. Great Western is subject to an incentive regime which penalises it £250 if trains are 20 minutes late, £500 if 30 minutes late or partially cancelled (e.g. terminating short of final destination); and £1,000 if a service is cancelled entirely. Details of payments under this system appear in OPRAF's quarterly performance bulletins. It is not possible to provide performance data in more detail than in the Bulletin because of commercial confidentiality.

Mr. Jenkin: To ask the Secretary of State for the Environment, Transport and the Regions if he will revise the framework for penalties on Railtrack for under-performance; and if he will make a statement. [57685]

Ms Glenda Jackson: The incentive regime which operates between train operators and Railtrack, and which gives Railtrack the incentive to provide effective and reliable infrastructure, is part of the track access contracts under which operators gain access to the infrastructure. The charges and penalties which apply under those contracts were set by the Rail Regulator in 1996 for a period of five years; they are being reviewed by him and new charges will be set from 2001.

Mr. Jenkin: To ask the Secretary of State for the Environment, Transport and the Regions if he will estimate the *(a)* number and *(b)* percentage of train delays and cancellations due to (i) failures attributable to the train operating companies and (ii) failures attributable to Railtrack, for the last 12 months for which figures are available; and if he will make a statement. [57688]

Ms Glenda Jackson: The industry makes use of information relating to the attribution of responsibility for delays and cancellations between the operator of the service, other operators using the network, and Railtrack. This information is required to drive incentive payments regimes which operate between the parties, to incentivise each to avoid causing disruption and delay. It is commercially confidential.

Bus Fuel Rebate Scheme

Mr. Levitt: To ask the Secretary of State for the Environment, Transport and the Regions if he will extend the bus fuel rebate scheme to vehicles involved in non-profit making community transport schemes. [57191]

Ms Glenda Jackson: The long-standing purpose of the bus fuel duty rebate scheme is to assist services which (among other criteria) are available for the general public and are registered with the Traffic Commissioner as local bus services. We have no present plans to extend the scheme's scope.

Heathrow Airport

Mr. Colman: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to review the procedure of westerly preference for incoming flights to Heathrow Airport. [57417]

Ms Glenda Jackson: I refer my hon. Friend to the statement I made to the House on 24 July 1998, *Official Report*, column 1413, in which I said that we intend to invite views on modifying the operation of westerly preference at Heathrow at night in the second-stage consultation paper on night restrictions, to be issued shortly. There are no plans to review its use during the day.

Retail Stores

Ms Kingham: To ask the Secretary of State for the Environment, Transport and the Regions how many superstores and supermarkets of the single storey uncompartmentalised warehouse type of *(a)* over 2,000 square metres and *(b)* over 4,000 square metres were built in (i) 1990 to 1995, (ii) 1996, (iii) 1997 and (iv) 1998 to date. [57674]

Mr. Raynsford: The information in the form requested is not available; however the number of shops and restaurants in England and Wales with a floorspace of over 500m^2 was published in the 'Commercial and Industrial Floorspace Statistics 1995'. The survey showed that, for the year 1994, the total number of hereditaments by this description was 24,100.

Compulsory Competitive Tendering

Mr. Willis: To ask the Secretary of State for the Environment, Transport and the Regions when he expects to repeal the present legislation in respect of compulsory competitive tendering; and what plans he has to introduce best value for local authority service delivery. [57677]

Mr. Raynsford: The Government are committed to introducing a new duty of best value for local authority functions, and abolishing compulsory competitive tendering (CCT), as soon as Parliamentary time is available. I cannot pre-empt the Queen's speech on the substance of the legislative programme for the next session of Parliament. Ahead of primary legislation, we have established a programme of best value pilot projects and we have relaxed existing CCT regulations to encourage all local authorities to adopt best value practices now.

Barnet Football Stadium

Mr. Burns: To ask the Secretary of State for the Environment, Transport and the Regions (1) if he will publish the correspondence and notes of meetings between the hon. Member for Mansfield (Mr. Meale), Ministers of the Crown, civil servants and Government agencies relating to the Barnet football stadium planning application; [57539]

(2) what correspondence written by the hon. Member for Mansfield (Mr. Meale) about the Barnet football stadium planning application was put before the planning inquiry inspector; and who submitted the correspondence to the inspector. [57540]

Mr. Caborn: No. Because the inspector has not yet reported to the Secretary of State, the hon. Member should approach the inspector through the chief planning inspector. There were no meetings. The Government Office for London put the correspondence before the inspector.

Mr. Burns: To ask the Secretary of State for the Environment, Transport and the Regions which *(a)* Ministers of his Department and *(b)* parliamentary private secretaries (i) have seen papers and (ii) were present at meetings, concerning the impact of the Barnet football stadium (1) on traffic on the M1 and A1 within the M25 area and (2) on the local environment. [57558]

Mr. Caborn: A Departmental submission was seen by me, my right hon. Friend the Deputy Prime Minister and my hon. Friends the Minister for London and Construction and the Minister for Transport in London. Parliamentary private secretaries did not see it.

There were no meetings. The submission dealt with the possible traffic and environmental consequences of the development.

Mr. Burns: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on those Government departments or agencies which were consulted with regard to the Barnet football stadium planning application; and which Government departments or agencies made representations to the public inquiry. [57560]

Mr. Caborn: Local planning authorities are under a duty to consult certain statutory consultees on planning applications made to them and they include some government agencies. When considering whether to call in this case, we did not consult on the matter. At the inquiry representations were made by the Highways Agency, the Environment Agency and London Transport.

Planning Applications

Mr. Burns: To ask the Secretary of State for the Environment, Transport and the Regions what representations the hon. Member for Mansfield (Mr. Meale) has made to *(a)* Ministers and *(b)* officials of his Department on planning applications outside his constituency area since 1 May 1997; and if he will identify the nature of each application. [57559]

Mr. Caborn: My Department has received representations from my hon. Friend on three planning issues outside his constituency. One relates to the development of Barnet Football Club, one to the Belmont Riding Centre in Barnet and the third was made on behalf of his constituents concerned about proposed limestone quarrying at Nettleworth Farm, Boon Hills Farm, and Williamwood Farm in the neighbouring constituency of my hon. Friend the Member for Bassetlaw (Mr. Ashton).

Home Improvement Agencies

Mr. Burstow: To ask the Secretary of State for the Environment, Transport and the Regions what assessment his Department has made of the impact of proposals to cease earmarked funding of home improvement agencies in favour of an adjustment to the revenue support grant. [57634]

Ms Armstrong: I refer the hon. Member to my reply of 29 October 1998, *Official Report*, column *254*, to my hon. Friend the Member for Elmet (Mr. Burgon), about the impact of the proposals on local authorities in our recent consultation paper on the funding of home improvement agencies; and to my reply of 29 October 1998, *Official Report*, column *255*, to my hon. Friend the Member for Luton, South (Ms Moran) announcing our decision on this.

Urban Task Force

Mr. Goggins: To ask the Secretary of State for the Environment, Transport and the Regions what changes there have been to the membership of the Urban Task Force since its establishment. [58096]

Mr. Caborn *[Pursuant to his reply, 29 April 1998, c. 128]:* I would like to announce a change to the membership of the Urban Task Force. Stuart Lipton, Chief Executive of Stanhope Property Developments, has stepped down to an advisory role due to time pressures. He has been replaced by Phil Kirby, the Head of British Gas Properties, who was previously a member of one of the Task Force's three Working Groups.

Anthony Mayer, Chief Executive of the Housing Corporation, has been appointed Vice-Chairman of the Task Force.

Integrated Transport White Paper

Mr. Jenkin: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to paragraph 1.28 of the Government's White Paper "A New Deal for Transport", by what means he intends to put greater emphasis on listening to transport users. [57686]

Ms Glenda Jackson: We have learnt a lot about people's attitudes to transport and its impacts on the environment and the economy through surveys such as the British Social Attitudes survey carried out by Social and Community Planning Research. We intend to build on this through further surveys, consultation and research projects and by encouraging Rail User Consultative Committees, the National Federation of Bus Users and the London Regional Passenger Committee to contribute fully to the Government's objective to improve services for passengers. My Department will be issuing a number of documents over the next few months, seeking views on specific policy measures raised in the Transport White Paper. The new Commission for Integrated Transport will bring together all interested parties, including transport users, to make recommendations to Ministers, and at the local level, local authorities will be consulting widely with local people, businesses, transport operators and community groups when drawing up their local transport plans.

Mr. Jenkin: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to paragraph 1.43 of the Government's White Paper "A New Deal For Transport", what is the value of freight grants committed in the year 1997–98; what is his latest estimate of the value of freight grants in each subsequent year for which figures are available; and when he plans to extend freight grants. [57691]

Ms Glenda Jackson: In 1997–98 we doubled the freight grants budget to £30 million and this was substantially taken up. We have increased the funds available in 1998–99 to £40 million and to date £32 million of this has already been committed. Still further funds will be made available for an increase in the freight grants budget in future years, if there is a demand.

We intend to bring forward legislation to extend the freight grants regime to include coastal and short sea shipping once a consultation on the details of the scheme has been carried out and a suitable legislative opportunity arises.

Mr. Jenkin: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to paragraph 1.21 of the Government's White Paper "A New Deal For Transport", if he will establish targets for *(a)* investment in public transport and *(b)* the increased number of people using public transport over the next five years, broken down by transport mode. [57690]

Ms Glenda Jackson: Increased investment in public transport, involving public and private sectors, is an essential part of our integrated transport strategy. As well as our plans for Government expenditure on public transport announced following completion of the Comprehensive Spending Review, new public-private partnership will lead to substantial additional investment in transport infrastructure. We will also give local authorities powers to introduce congestion charging and workplace parking levies, which will produce guaranteed streams of new funding for investment in transport improvements locally.

Local authorities will be required, as part of their local transport plans starting next year, to set targets on transport indicators looking five years ahead. It will be for local authorities to determine which targets to set, but these are likely in many cases to include targets for the increased use of buses and rail. Building on that, the Government will be asking the Commission for Integrated Transport to provide advice on the setting of national transport targets, including for public transport use.

Mr. Jenkin: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to paragraph 1.36 of the White Paper on the future of transport, what plans he has to set noise standards for *(a)* motorways, *(b)* trunk roads, *(c)* other urban roads and *(d)* other rural roads; and if it is his intention that money should be spent on existing roads to make them quieter. [57687]

Ms Glenda Jackson: As the White Paper explains, the European Commission has proposed a framework Directive on environmental noise to harmonise methods of calculating noise exposure so that targets and action plans could be developed, initially by Member States but eventually at EU level. It would be premature for us to consider the possibility of setting noise standards until this work is further advanced.

In "A New Deal for Trunk Roads in England" we announced that in future, whenever a trunk road needs to be resurfaced, and where noise is a particular concern, we shall ensure that the most appropriate noise reducing surfaces are used. In addition to this, we intend to establish new criteria for providing noise mitigation for serious noise problems on existing trunk roads and a ring-fenced annual budget for this work. We will make a further announcement about this in due course.

Rights of Way

Mr. Nigel Jones: To ask the Secretary of State for the Environment, Transport and the Regions what recent assessment he has made of the damage being caused to ancient pathways and rights of way; and what recent representations he has received on this subject. [57827]

Mr. Meale: My Department keeps no records of damage to ancient pathways or rights of way. Highway authorities are responsible for ensuring that rights of way are kept in good order.

We receive about 3 representations each month from members of the public and interested organisations about damaged caused to public rights of way.

Sellafield

Mr. Alan Keen: To ask the Secretary of State for the Environment, Transport and the Regions if he has received from the Environment Agency draft determinations of applications by BNFL for variations to some of the radioactive discharge authorisations at Sellafield and to allow the mox plant there to come into operation. [58022]

Mr. Meacher: Draft determinations on these applications were delivered to my Department today. I am arranging for copies to be placed in the Library. Members of the public who wish to obtain copies of the documents can do so by contacting the Environment Agency.

Requests have been made to Ministers to call in the applications for their own determination. These requests are being considered carefully and my right hon. Friends the Secretary of State and the Ministry of Agriculture, Fisheries and Food will announce their decisions as soon as they are able to do so.

Parliamentary Questions

Mr. Maples: To ask the Secretary of State for the Environment, Transport and the Regions when he plans to provide a substantive reply to the question from the hon. Member for Stratford-on-Avon tabled on 7 October. [57997]

Ms Glenda Jackson: Shortly.

Policy Proposals (Quality of Life)

Mrs. Roe: To ask the Secretary of State for the Environment, Transport and the Regions what methods of measurements and from what base lines his Department employs in assessing the quality of life implications of policy proposals; and how these were selected. [55767]

Mr. Meale: DETR uses a range of measures to assess policy and other proposals, which include economic, social and environmental indicators consistent with relevant guidance from HM Treasury and other Government Departments. Quality of life relates indirectly to these measures and may depend on a range of factors. In the context of DETR's policy areas, relevant examples are the quality of housing, accessibility considerations with respect to transport services, the health impacts of air quality, and the concept of amenity, which has several applications.

Housing (Young People)

Mr. Webb: To ask the Secretary of State for the Environment, Transport and the Regions what improvements he is planning to housing provision for 16 and 17 year-olds who are no longer able to live in the parental home and who are not in paid employment. [57555]

Mr. Raynsford: The Code of Guidance on Allocation of Housing Accommodation and Homelessness is

currently under revision and will provide more advice to help local housing authorities develop effective strategies to assist single homeless people including young people. The guidance will make clear that careleavers with very few exceptions should be regarded as "vulnerable" and considered under the homelessness legislation. Homeless 16 and 17 year olds who have no back-up support should also normally be regarded as vulnerable. In addition, housing authorities will also be advised that they should consult social services departments on the position of 16 and 17 year olds, with their consent. I hope local authorities will make good use of this guidance.

We have also established the Youth Homelessness Action Partnership to bring together senior representatives of central government, local government and the voluntary sector. The Partnership's key tasks are to: produce an agreed definition of youth homelessness; and estimate the numbers involved; identify what works in tackling and preventing youth homelessness; and disseminate good practice to all the key players. The Partnership will also contribute towards the evaluation of the impact of Government policies on youth homelessness. The work of the Partnership will be underpinned by research to be commissioned by my Department later this year.

A130

Mr. Whittingdale: To ask the Secretary of State for the Environment, Transport and the Regions when he expects to announce a decision on the PFI bid for the improvement scheme for the A130; and if he will make a statement. [57492]

Ms Glenda Jackson: We are considering the Essex County Council proposals for the A130 at the moment. We will announce a decision when we have reached conclusions about the project.

Regional Airports

Mr. Stringer: To ask the Secretary of State for the Environment, Transport and the Regions if he will list those countries which *(a)* have agreed, *(b)* have failed to agree and *(c)* have not responded to his statement of 10 June 1998, *Official Report*, column *580*, on multilateral agreements on 3rd and 4th freedoms at regional airports. [57520]

Ms Glenda Jackson: Of the 74 bilateral partners to whom open access to regional airports has been offered 11 have accepted it. The 11 are:

Bahrain, Bulgaria, Cameroon, Fiji, Jamaica, Jordan, South Korea, Malaysia, Pakistan, Qatar and Turkmenistan.

The regional access offer has been rejected by 12 bilateral partners. These are:

Armenia, Brazil, Egypt, Indonesia, Kazakhstan, Malawi, Moldova, Mongolia, Myanmar (Burma), Saudi Arabia, the Seychelles, and Yemen.

The following countries have not yet responded to the offer:

Algeria, Antigua and Barbuda, Argentina, Azerbaijan, Bangladesh, Belarus, Botswana, Brunei, Chile, Congo, Côte d'voire, Cyprus, Ethiopia, Gabon, Georgia, Ghana, Hungary, India, Iran, Israel, Japan, Kuwait, Kyrghyzstan, Lebanon, the Maldives, Mauritius, Mexico, Morocco, Nepal, the Philippines, Russian Federation, Senegal, Sierra Leone, Singapore, South Africa, Sri Lanka, Sudan, Syria, Tanzania, Thailand, Turkey, Uganda, Ukraine, Vietnam, Zambia, and Zimbabwe.

In addition, holding replies or requests for further information or for discussion of the offer at air services talks have been received from Australia, Hong Kong SAR, Kenya, Namibia, and Oman.

Mr. Stringer: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the new international routes to regional airports that have been agreed consequent upon the Minister's statement on the liberalisation of access to regional airports on 10 June. [57532]

Ms Glenda Jackson: The only new routes to UK regional airports which have so far been agreed as a result of the regional access offer announced on 10 June are routes between UK regional airports and Jamaica. The air services arrangements with the other ten countries who have accepted the regional access offer already allowed carriers to serve regional points in the UK, but only with limited capacity. Those capacity limits have now either been removed, or will be removed once formal amendments to the air services arrangements have been made.

CULTURE, MEDIA AND SPORT

North-West Airports

Mr. Fearn: To ask the Secretary of State for Culture, Media and Sport if he will estimate the number of overseas visitors to Britain who arrived through North-West airports in 1998 to date. [57177]

Janet Anderson: The International Passenger Survey estimates that 626,000 overseas visitors to Britain arrived through Manchester airport in the first eight months of 1998. The total number of overseas visitors to the United Kingdom in the year to date is 17,290,000, of which 3.6 per cent. were arrivals through Manchester airport. It is estimated that the vast majority of visitors from abroad arriving in the UK through North-West airports do so through Manchester airport.

Cinemas

Mr. MacShane: To ask the Secretary of State for Culture, Media and Sport how many towns in the United Kingdom with populations of over 100,000 do not have a cinema. [57291]

Janet Anderson: My Department does not compile information of this type. However, a recent report by the European Audiovisual Observatory indicated that in 1996 there were 742 cinema sites in the UK with 2,166 screens.

Premiership Football

Mr. Nigel Jones: To ask the Secretary of State for Culture, Media and Sport what discussions he has had with the Office of Fair Trading regarding the Restrictive Practices Court inquiry into the televising of Premiership football being held in January 1999. [57111]

Janet Anderson: Neither my right hon. Friend the Secretary of State nor other Ministers at the Department for Culture, Media and Sport have discussed this matter with the Director General of Fair Trading.

Stadium Safety

Mr. Nigel Jones: To ask the Secretary of State for Culture, Media and Sport (1) what assessment he has made of the effect which the Football Trust's moratorium on grant aid to league football clubs will have on their ability to meet the required standards for safe terracing by the August 1999 deadline; [57157]

(2) what assessment he has made of the effect of the reduction in the percentage of the cost of stadium development which the Football Trust will contribute on the ability of football clubs to meet the required standards for safe terracing by the August 1999 deadline. [57158]

Mr. Banks: The Government are committed to meeting the August 1999 deadline for safe-terracing at lower division clubs. One of our first acts in office was to announce a £55 million funding package for the Football Trust. This new funding arrangement includes £35 million to help clubs to meet Taylor-related costs, and involves money from the Lottery and Premier League. These funds are in addition to revenues raised through the Reduction in Pool Betting Duty. The distribution of these funds is a matter for the Football Trust. The Football Trust will treat each application on its own merits, subject to the discretion of its Trustees.

Landmark Millennium Projects

Mr. Hancock: To ask the Secretary of State for Culture, Media and Sport (1) what responsibilities the Millennium Commission has to report to Parliament on landmark millennium projects; and what reports it has made to date; [57108]

(2) what plans he has to account to Parliament in respect of the landmark millennium projects. [57110]

Mr. Chris Smith: The Millennium Commission laid its Annual Report and Accounts before Parliament, on 29 October 1998 and has done so every year since its establishment in 1994. The report includes information on capital projects, including those known as landmark projects. As Secretary of State I answer Parliamentary Questions on Millennium Commission business; and both the Director of the Commission and I, as its Chairman, are answerable for its performance before Committees of the House.

Mr. Hancock: To ask the Secretary of State for Culture, Media and Sport (1) if he will make a statement on progress with each of the landmark millennium projects; [57109]

(2) which organisations are responsible for continuing costs after 2001 for each of the landmark millennium projects. [57107]

Mr. Chris Smith: These are matters for the Millennium Commission. I shall reply to the hon. Member in my capacity as Chairman of the Commission, and place copies of my reply in the Library of the House.

Department Reviews

Mr. Peter Ainsworth: To ask the Secretary of State for Culture, Media and Sport if he will list *(a)* each review announced by his Department since 1 May 1997, *(b)* the date of its commencement, *(c)* the date or proposed date of its conclusion and *(d)* the date, or expected date of his response in each case. [57307]

Mr. Chris Smith *[holding answer 29 October 1998]:* The reviews announced by the Department since 1 May 1997 are shown in the table:

Review	*Date of commencement*	*Date of conclusion*	*Date of Secretary of State's response*
Review of Film Policy	1998	March 1998	March 1998
Review of Project Delivery of the Millennium Exhibition	May 1997	June 1997	June 1997
Review of the National Lottery, Leading to Publication of a White paper	—	White Paper published July 1998	—
Review of Efficiency and Effectiveness of Government sponsored museums and galleries	September 1998	October 1999	—
Review of List of Nationally Important Sporting Events which must be made available on free-to-air terrestrial TV channels	December 1997	March 1998	June 1998
Eyre Report into future of Lyric Theatre, London (includes review of the Royal Opera House companies and the English National Opera)	November 1997	June 1998	Autumn 1998
Review of future funding of the BBC	1999 (announced 14 October 1998)	End July 1999	Following public consultation

Youth Music Trust

Mr. Peter Ainsworth: To ask the Secretary of State for Culture, Media and Sport (1) how many representations his Department has received from schools and colleges concerning funding by the Youth Music Trust; [57206]

(2) how many applications for funding have been received by the Youth Music Trust; and what is their aggregate value; [57207]

(3) how many meetings of the Youth Music Trust have taken place. [57208]

Mr. Chris Smith *[holding answer 29 October 1998]:* The Youth Music Trust has yet to be formally constituted as a legal entity. My Department is currently supporting the Chairman-designate, Gavin Henderson, to bring this about. The Trustees-designate have no legal status until the Trust is established, but they are being kept informed of progress, and it is expected that they will shortly meet informally.

The Department receives a steady stream of representations from a range of bodies and individuals generally interested in the Trust, including a small number of approaches for funding from schools, colleges and others.

BSkyB (Manchester United)

Mr. Peter Ainsworth: To ask the Secretary of State for Culture, Media and Sport what representations he has made to the Secretary of State for Trade and Industry regarding BSkyB's offer for Manchester United. [57215]

Mr. Chris Smith *[holding answer 29 October 1998]:* The Government will look very carefully at any competition and public interest issues which may arise from the proposed takeover of Manchester United by BSkyB. By long standing convention, summarised in the Code of Practice on Access to Government Information Second Edition (1997), advice and consultation within Government is not disclosed. My right hon. Friend the Secretary of State for Trade and Industry is due to announce his decision shortly as to whether the proposed takeover should be referred to the Monopolies and Mergers Commission.

Tobacco Sponsorship

Mr. Peter Ainsworth: To ask the Secretary of State for Culture, Media and Sport how many meetings he has had with the task force set up to find alternatives to tobacco sponsorship of sporting events. [57209]

Mr. Banks *[holding answer 29 October 1998]:* The EU Tobacco Directive provides up to three years for domestic legislation to be implemented, and a further two years for the ban on sports sponsorship by tobacco companies to be enforced. Up to a further three years may be allowed in exceptional circumstances for existing sponsorship of events organised at a global level, provided sponsorship levels and associated advertising are reduced. It is against this timescale that the Task Force will work. I will chair the Task Force to help all sports in receipt of tobacco sponsorship to identify alternative sponsors.

The Task Force has not yet been formally constituted, although I have had an initial informal meeting with sports and business interests and will hold a further meeting later this year when the current exercise to collect sponsorship information from the sports concerned should be completed.

"News At Ten"

Mr. Peter Ainsworth: To ask the Secretary of State for Culture, Media and Sport what representations he has made to the ITC concerning the proposal to reschedule "News at Ten". [57212]

Mr. Chris Smith *[holding answer 29 October 1998]:* I have made no representations to the ITC in relation to their current consideration of proposals from the Channel 3 companies to revise the weekday evening schedule, including replacing the current news bulletins with programmes at 6.30pm and 11pm. I set out my own views on this issue in a letter to my right hon. Friend the Chairman of the Culture, Media and Sport Select Committee on 5 October as I was aware the Committee was likely to want to conduct an inquiry on this issue which it has subsequently done. As the ITC were then in the process of public consultation on the Channel 3 proposal, my letter was copied, as a matter of courtesy, to Sir Robin Biggam and also to Richard Eyre, Chief Executive of the ITV Network.

New Opportunities Fund

Mr. Peter Ainsworth: To ask the Secretary of State for Culture, Media and Sport what estimate he has made of the amount of money in *(a)* nominal and *(b)* real terms which will be available to the New Opportunities Fund in each year from 1998 to 2005. [57204]

Mr. Chris Smith *[holding answer 29 October 1998]:* We are currently discussing with the distributing bodies how to adjust their percentage shares so as to provide the New Opportunities Fund (NOF) with an additional £400 million by the end of the present licence period. Until these discussions have taken place, the annual income assumptions for the NOF cannot be finalised. Beyond 2001, the distributors in the arts, sports, heritage and charities have each been guaranteed 16.67 per cent. of Lottery revenues and, once the Millennium stream comes to an end, the NOF's share will rise to 33.33 per cent.

Digital Terrestrial Programming

Jane Griffiths: To ask the Secretary of State for Culture, Media and Sport what discussions he has had with the Independent Television Commission about the limits under the Broadcasting Acts on the provision of digital terrestrial programming; and if he will make a statement. [57972]

Mr. Chris Smith: The Independent Television Commission has had a number of discussions with my officials outlining their concerns over the practical impact

of those provisions of the Broadcasting Act 1990 (as amended by the Broadcasting Act 1996) which seek to ensure plurality in the provision of programme services to the digital terrestrial television platform during its early years. Following these representations, I am issuing today a consultation paper seeking views on proposals to use my order-making power to amend the current limits in the Broadcasting Act.

My proposals will continue to ensure plurality and diversity in the provision of programme services on digital terrestrial television but will alter the limits to which the statutory transitional arrangements apply. The proposed changes will reflect the current practicalities of the launch of digital terrestrial television and ensure that it is not impeded simply due to statutory provisions drawn up on the basis of estimates made two years ago of the number of programme services that would be available at the launch of digital terrestrial television.

I am placing copies of the consultation paper in the libraries of both Houses.

Departmental Headquarters

Mr. Peter Ainsworth: To ask the Secretary of State for Culture, Media and Sport how many days he spent at his Department's headquarters in *(a)* August, *(b)* September and *(c)* October. [57203]

Mr. Chris Smith *[holding answer 29 October 1998]:* I spent a total of 31 days in my Department's headquarters between August and October 1998. These are divided as follows:

(a) August: 5

(b) September: 10

(c) October: 16.

Public Appointments

Mr. Peter Ainsworth: To ask the Secretary of State for Culture, Media and Sport if he will list the remunerated appointments to non-departmental public bodies sponsored by his Department, together with the level of remuneration in each case. [57216]

Mr. Chris Smith *[holding answer 29 October 1998]:* The information requested is in the following table.

Sponsored body	*Role*	*Title*	*First Name*	*Surname*	*Remuneration(£)*
British Library Board	Chairman	Dr.	John	Ashworth	28,363
British Library Board	Member	Hon.	Edward	Adeane	6,839
British Library Board	Member	Prof.	Michael	Anderson	6,839
British Library Board	Member	Mr.	Anthony	Bloom	6,839
British Library Board	Member	Sir	Matthew	Farrer	6,839
British Library Board	Member	Rt. Hon.	Peter	Hordern	6,839
British Library Board	Member	Mr.	Rodney	Leach	6,839
British Library Board	Member	Ms	Penelope	Lively	6,839
British Library Board	Member	Mr.	Bernard	Naylor	6,839
British Library Board	Member	Mr.	John	Riblat	6,839
British Library Board	Member	Mr.	Paul	Scherer	6,839
British Tourist Authority	Chairman	Dr.	David	Quarmby	28,305
British Tourist Authority	Member	Mr.	Robert	Ayling	7,340
British Tourist Authority	Member	Mr.	Alan	Britten	7,340
British Tourist Authority	Member	Mr.	John	Jarvis	7,340
British Tourist Authority	Member	Mr.	Patrick	McKenna	7,340
British Tourist Authority	Member	Mr.	Des	Wilson	7,340
Broadcasting Standards Commission	Chairman	Lady	Elspeth	Howe	45,210
Broadcasting Standards Commission	Deputy Chairman	Ms	Jane	Leighton	35,990
Broadcasting Standards Commission	Deputy Chairman	Mrs.	Suzanne	Warner	35,990
Broadcasting Standards Commission	Member	Ms	Danielle	Barr	14,450
Broadcasting Standards Commission	Member	Mr.	David	Boulton	14,450
Broadcasting Standards Commission	Member	Dr.	Fiona	Caldicott	14,450
Broadcasting Standards Commission	Member	Mr.	Strachan	Heppell	14,450
Broadcasting Standards Commission	Member	Rev.	Rose	Hudson-Wilkin	14,450
Broadcasting Standards Commission	Member	Mr.	Robert	Kernohan	14,450
Broadcasting Standards Commission	Member	Mr.	John	Lang	14,450
Broadcasting Standards Commission	Member	Mrs.	Susan	Lloyd	14,450
Broadcasting Standards Commission	Member	Ms	Sally	O'Sullivan	14,450
Broadcasting Standards Commission	Member	Mrs.	Sioned	Wyn Thomas	14,450
English Heritage	Chairman	Sir	Jocelyn	Stevens	74,375 pr
English Heritage	Commissioner	Ms	Amanda	Arrowsmith	'2,160–15,150
English Heritage	Commissioner	Mrs.	Bridget	Cherry	'2,160–15,150
English Heritage	Commissioner	Mr.	Andrew	Fane	'2,160–15,150
English Heritage	Commissioner	Lord	Charles	Faringdon	'2,160–15,150
English Heritage	Commissioner	Prof.	Eric	Fernie	'2,160–15,150
English Heritage	Commissioner	Lady	Elizabeth	Gass	'2,160–15,150
English Heritage	Commissioner	HRH	Duke of	Gloucester	'2,160–15,150
English Heritage	Commissioner	Mr.	Loyd	Grossman	'2,160–15,150
English Heritage	Commissioner	Mrs.	Candida	Lycett Green	'2,160–15,150
English Heritage	Commissioner	Ms	Kirsty	McLeod	'2,160–15,150
English Heritage	Commissioner	Mr.	Richard	Morris	'2,160–15,150
English Heritage	Commissioner	Miss	Susan	Underwood	'2,160–15,150
English Sports Council	Acting Chairman	Mr.	Trevor	Brooking	22,343
English Sports Council	Vice-Chairman	Mr.	Gerald	Dennis	13,463
English Tourist Board	Chairman	Dr.	David	Quarmby	28,305

Sponsored body	Role	Title	First Name	Surname	Remuneration(£)
English Tourist Board	Member	Mr.	Peter	Chappelow	7,340
English Tourist Board	Member	Mr.	John	Lee	7,340
English Tourist Board	Member	Mr.	David	Lunn	7,340
English Tourist Board	Member	Mr.	Peter	Moore	7,340
English Tourist Board	Member	Ms	Eve	Pollard	7,340
English Tourist Board	Member	Mrs.	Jennifer	Robson	7,340
Football Licensing Authority	Chairman	Mr.	Clive	Sherling	12,662
Football Licensing Authority	Member	Dr.	Judith	Fisher	230 pd
Football Licensing Authority	Member	Mr.	Tony	Gee	230 pd
Football Licensing Authority	Member	Mr.	Christopher	Lewis	230 pd
Football Licensing Authority	Member	Mr.	Mervyn	Sheldon	230 pd
Football Licensing Authority	Member	Prof.	Margaret	Talbot	230 pd
Football Licensing Authority	Member	Dr.	Sam	Thorburn	230 pd
National Endowment for Science, Technology and the Arts	Chairman	Lord	David	Puttnam	22,000
National Heritage Memorial Fund	Chairman	Dr.	Eric	Anderson	32,708 pr
National Lottery Charities Board	Chairman	The Hon.	David	Sieff	24,000
National Lottery Charities Board	Member England	Mrs.	Stella	Clarke	[1]12,000–16,000
National Lottery Charities Board	Member UK	Ms	Amanda	Jordan	[1]12,000–16,000
National Lottery Charities Board	Member N. Ireland	Mr.	Noel	Stewart	[1]12,000–16,000
National Lottery Charities Board	Member Scotland	Mr.	Garth	Morrison	[1]12,000–16,000
National Lottery Charities Board	Member UK	Mrs.	Tessa	Baring	[1]12,000–16,000
National Lottery Charities Board	Member UK	Sir	Adam	Ridley	[1]12,000–16,000
National Lottery Charities Board	Member Wales	Mr.	Tom	Jones	[1]12,000–16,000
New Opportunities Fund	Chairman	Lady	Jill	Pitkeathley	22,000
Public Lending Right Registrar	Registrar	Dr.	James	Parker	42,338
United Kingdom Sports Council	Chairman	Sir	Rodney	Walker	22,343

[1] remuneration is shown as a range where it is dependent upon changeable factors (membership of committees etc.)
[2] remuneration not claimed
Note:
Except where specified, all remuneration is shown on an annual basis
Abbreviations:
pd—per day
pr—pro rata

Cash Limits

Ms Atherton: To ask the Secretary of State for Culture, Media and Sport what changes he proposes to make to his Department's cash limits and running costs limits for 1998–99. [58095]

Mr. Chris Smith: Subject to Parliamentary approval of the necessary Supplementary Estimate, the cash limit for Class X, Vote 1 will be increased by £7,029,000 from £878,787,000 to £885,816,000 and the gross running costs limit increased by £2,243,000 from £28,721,000 to £30,964,000.

This is to provide for increases in provision of £1,700,000 for the British Library St. Pancras project; £236,000 on the refurbishment of Somerset House for the housing of the Gilbert Collection; £1,500,000 for the refurbishment of the Royal Naval College, Greenwich; a transfer of £1,350,000 from the Department for Education and Employment (Class IX, Vote 1) for awards to dance and drama students; £2,243,000 to meet the general running costs of DCMS, full take up of DCMS/OFLOT running costs end year flexibility amounts as announced by the Chief Secretary to the Treasury on 14 July 1998, *Official Report*, columns 131–36.

The increases will be offset by transfers, savings or charged to the Reserve, and will not, therefore, add to the planned total of public expenditure.

Parliamentary Questions

Mr. Maples: To ask the Secretary of State for Culture, Media and Sport when he plans to provide a substantive reply to the question from the hon. Member for Stratford-on-Avon tabled on 7 October. [57999]

Mr. Chris Smith: Shortly.

Concessionary Television Licences

Mr. Burstow: To ask the Secretary of State for Culture, Media and Sport what assessment his Department has made of the current level of the concessionary television licence for the blind. [57629]

Janet Anderson: The Government have not carried out an assessment of the level of the licence fee reduction for blind people. However, the current concessionary arrangements, including those for blind people, will be examined next year as part of the review of the future of the BBC licence fee after 2002. The issues will be examined initially by an independent review panel which will report to the Secretary of State by the end of July. The Government will then consult on the panel's findings.

SCOTLAND

School Attendance

Mr. Sarwar: To ask the Secretary of State for Scotland what measures the Government are taking to ensure that children of school age attend school regularly. [56711]

Mrs. Liddell: Non-attendance is a significant problem in our schools, and one which the Government take very seriously. All schools and education authorities are setting detailed targets to reduce non-attendance.

Often the most successful strategies for reducing non-attendance are those which schools themselves develop, with the support of parents. To share good practice, the Government funded Scottish Initiative on Attendance and Absence published a good practice document "Close to the Mark" last December. The Ethos Network, also funded by the Government, continues to highlight examples of good practice.

Dental Services

Mr. Sarwar: To ask the Secretary of State for Scotland what plans he has to improve access to NHS dental services in Scotland. [56714]

Mr. Galbraith: The Scottish Dental Access Initiative, launched in August 1997, offers grants to dentists setting up or expanding practices in areas of unmet demand for NHS general dental services. This month I approved an extension of the Initiative to offer grants to NHS dentists with strategies to increase patient registrations in areas of high oral health need.

Breast Cancer Radiologists

Mr. Sarwar: To ask the Secretary of State for Scotland what plans he has to secure provision of additional breast cancer radiologists in Scotland. [56713]

Mr. Galbraith: Cancer is a priority area for the NHS in Scotland. Diagnostic Radiology is recognised to be a shortage speciality due to expansion in service provision and hence consultant numbers. This issue is being addressed through an increase in training numbers.

Public Appointments

Mr. Vaz: To ask the Secretary of State for Scotland if he will publish the names of those people he has appointed to public bodies since 1 May 1997, indicating the positions to which they have been appointed and whether they receive remuneration. [56815]

Mr. Dewar: As the list is lengthy I shall write to my hon. Friend and place a copy in the Library of the House.

Local Government

Mr. Gorrie: To ask the Secretary of State for Scotland what is his Department's current estimate of the cost to be borne by Scottish local authorities of spending on contaminated land in *(a)* 1998–99, *(b)* 1999–2000 and *(c)* subsequent years, and of central Government's contributions towards meeting these additional costs. [56958]

Mr. Macdonald: As part of the Government's Comprehensive Spending Review, provision of £1.7 million has been made in next year's Scottish local government finance settlement. This will cover the expected revenue costs of site identification and preliminary investigation work associated with the new contaminated land regime. This figure will rise to £2 million per annum thereafter. It is not anticipated that there will be significant expenditure in the current year. The actual cost of remediation will generally fall on those who have caused or knowingly permitted and contamination, or the owner or occupier of the land.

Regional Selective Assistance

Mr. Lansley: To ask the Secretary of State for Scotland what was the maximum cost-per-job offered in grant under regional selective assistance in 1997–98 in Scotland. [57044]

Mr. Dewar: The maximum cost-per-job offered was £17,000.

Deaf Jurors

Mr. Levitt: To ask the Secretary of State for Scotland in what circumstances a deaf person carrying out jury service is permitted to receive communication support from a palantypist, sign language interpreter or lip speaker; and in what circumstances a deaf juror's interpreter, palantypist or lip speaker may be excluded from a trial *(a)* in open court and *(b)* in the jury room. [57600]

Mr. McLeish: There is no statutory bar to a deaf person receiving support from a sign language interpreter or lip speaker in open court. However the presence of another person in the jury room to interpret the comments and views of other jury members would not be permitted. Section 99(1) of the Criminal Procedure (Scotland) Act 1995 provides that

"no other person shall be present with the jury after they are enclosed".

Combined Heat and Power Plant, Grangemouth

Mr. Connarty: To ask the Secretary of State for Scotland if he will announce his decision on the application submitted by BP Grangemouth CHP Limited on 31 March for consent under section 36 of the Electricity Act 1989 and section 57(2) of the Town and Country Planning (Scotland) Act 1997 to construct and operate a combined heat and power plant at BP Grangemouth. [58278]

Mr. Dewar: Consent for this application was issued on 30 October 1998. My decision was arrived at, after carefully considering all the evidence before me, including the advice of the local planning authority, statutory consultees and all representations received. A copy of the Press Notice announcing this consent together with a copy of the consent letter was placed in the Library of the House of Commons.

Cash Limits

Mr. Maxton: To ask the Secretary of State for Scotland what changes he intends to make to the cash limits and running costs provision for 1998–99 within his responsibility. [58002]

Mr. Dewar: Subject to Parliamentary approval of the necessary supplementary estimates, I intend to make changes to 7 voted cash limits, 3 non-voted cash blocks and 6 running cost limits:

The cash limit for class XIII, vote 2, Local Government, housing, transport, other environmental services and European Funds, Scotland will be increased by a net total of £100,128,000 from £5,490,737,000 to £5,590,865,000. The net increase reflects a

transfer of £24,000 from class V, vote 1 for energy efficiency; £70,100,000 for the redemption of Scottish Homes debt from HM Treasury; additional provision of £1,305,000 for Other Environmental Services which is offset by additional appropriations in aid of £615,000 and a transfer from SO/LA1; additional provision for P&O Ferry Services and Caledonian MacBrayne's piers and harbours work of £2,170,000 reflecting take up of end year flexibility; an additional £4,250,000 for Caledonian MacBrayne's capital grant; a net increase of £1,250,000 for Historic Scotland reflecting take-up of end-year flexibility and transfer to class XIII vote 6; an increase in provision of £6,860,000 for revenue support grant for education (higher still) and childcare from class XIII, vote 3 and also includes £2,730,000 for AEF guarantee funding which is a claim on the Reserve; an increase of £190,000 for the Council Tax Collection and Relief Scheme from SO/LA1; a reduction of provision for Highlands and Islands Airports of £3,000,000 which has been transferred to class XIII, vote 6; the addition of £2,670,000 for Welfare to Work: Childcare transferred from class XIII, vote 3; and the addition of £14,924,000 for grants under the Capital Receipts Initiative transferred from SO/CRI.

The cash limit for class XIII, vote 3, Education, industry, arts and libraries, Scotland, will be reduced by £2,815,000 from £1,699,322,000 to £1,696,507,000. The reduction takes account of transfers of £180,000 from class IX, vote 1 in respect of the Scottish Qualifications Authority: £6,806,000 from class XIII, vote 4 for the University of Edinburgh Medical School; £27,000 from class XIII, vote 6 for the National Museum of Scotland; £40,000 from class VI, vote 3 for energy efficiency promotional material and £445,000 from class IX, vote 1 for the Scottish University for Industry. Further additions have been made amounting to £513,000 respect of access to the National Galleries of Scotland and additional administration costs arising from the mis-selling of pensions and £153,000 under the end year flexibility arrangements. A total of £6,800,000 has been transferred to class XIII, vote 2 in respect of Higher Still and the provision, planning and development of childcare by local authorities with £2,000,000 being transferred to SO/LA1 in respect of advanced factory provision. In addition, £2,179,000 has been given up to the Reserve following a cash limit breach in 1997–98.

The cash limit for class XIII, vote 4, Hospital, community health, family health, other health services and welfare food, Scotland, will be increased by a net total of £83,957,000 from £3,913,650,000 to £3,997,607,000. The increase includes £86,323,000 reflecting the take up of end year flexibility; a transfer of £369,000 from class XI, vote 2 for the cost of services provided by the Medical Devices Agency which were previously funded on a UK basis; a transfer of £6,806,000 to class XIII, vote 3 to meet the essential capital costs of providing teaching facilities as a result of the relocation of Edinburgh University Medical School; a transfer of £20,000 from class XI, vote 1 in respect of patients resident in England who attend a Scottish medical practice; and some adjustments to reflect changes to anticipated appropriations-in-aid. The NHS Trusts' External Financing Limit has also been increased by £11,528,000 from -£24,871,000 to -£13,343,000.

The cash limit for class XIII, vote 5 will be increased by £7,953,000 from £663,596,000 to £671,549,000 within which the running costs limit will be increased by £1,567,000 from £147,652,000 to £149,219,000. The cash limit increase includes the take up of EYF entitlements of £3,000,000 under the running costs scheme, £2,000,000 under capital and £1,072,000 under the HPSS scheme. Transfers of £800,000 from class XIII, vote 2 to fund Section 10 grants from ESF, £500,000 from SO/LA1 to fund a new subhead dealing with the Lockerbie trial and £400,000 to fund a new subhead for the millennium volunteers are included. There will also be a number of minor inter and intra-vote transfers.

The cash limit for class XIII, vote 6, Scottish Office Administration, will be increased by £11,441,000 from £151,869,000 to £163,310,000. Within this total the running cost provision for Scottish Office Administration is being increased by £9,834,000 as a result of the take up of end-year flexibility and transfers from other votes; the additional running costs provision is required primarily to meet running costs pressures associated with the establishment of the Scottish Parliament. Provision for capital expenditure is being increased by £1,509,000 from £29,521,000 to £31,030,000 as a result of take up of end-year flexibility under the capital scheme and a transfer of £50,000 from class XIII vote 2. This additional provision is required to fund operationally essential IT projects. Provision for other current expenditure is being increased by £98,000 from £4,863,000 to £4,961,000 to finance IT software purchases by the Mental Welfare Commission for Scotland.

The cash limit for class XIII, vote 7, General Register Office for Scotland, will be decreased by £100,000 from £5,577,000 to £5,477,000. Within this total the running cost limit will be decreased by £200,000 to £5,477,000. Within this total the running cost limit will be decreased by £200,000 from £7,703,000 to £7,503,000 due to a transfer to £100,000 to class XIII, vote 6 and a transfer of £100,000 to capital provision. The increase in capital provision by £200,000 from £380,000 to £580,000 is required to complete a major refurbishment of New Register House and for upgrading IT hardware to ensure year 2000 compliance. Appropriations in Aid have been increased by £100,000 from £2,302,000 to £2,402,000 primarily due to increased demand by the public for access to registration records.

The cash limit for class XIII, vote 8, Scottish Record Office, will be increased by £602,000 from £3,470,000 to £4,072,000. Within this total, the running cost provision will be increased by £402,000 from £3,966,000 to £4,368,000 due to the take up of end-year flexibility. This will fund the internal reorganisation of the Department aimed at delivering future efficiency savings. The increase in capital provision of £200,000 from £432,000 to £632,000 resulting from the take up of end-year flexibility will fund the continuing refurbishment work at General Register House and design work being undertaken on Thomas Thomson House, phase 2.

The Scottish Office running costs limit will increase by £16,176,000 from £320,315,000 to £336,491,000. The increase results primarily from a transfer of £3,000,000 from class XIII, vote 2, a transfer of £4,000,000 from SO/LA1, a transfer of £1,800,000 from class XVI, vote 4 and the take up of end-year flexibility.

SO/LA1

The non-voted cash limit SO/LA1, which covers non-housing capital expenditure by local authorities will be reduced by a net total of £1,618,000 from £369,295,000 to £367,677,000. The reduction reflects a transfer of £5,583,000 to class XIII, vote 2 covering a range of pressures; £500,000 to class XIII, vote 5 for expenses of the Lockerbie trial; £4,000,000 to class XIII, vote 6 for the Scottish Parliament; an increase of £2,000,000 for Borders assistance from class XIII, vote 3 and take up of end year flexibility of £6,465,000.

SO/CRI

The non-voted cash limit SO/CRI, which covers capital expenditure on the Capital Receipts Initiative has been reduced by a net total of £14,300,000 from £43,660,000 to £29,360,000. This reduction reflects a transfer of £14,924,000 to class XIII, vote 2 and take up of end year flexibility of £624,000.

SO/ERDF

The non-voted cash limit SO/ERDF, which covers European Regional Development Fund expenditure in Scotland will be increased by a net £57,085,000 from £78,187,000 to £135,272,000 in respect of the take up of end year flexibility and a transfer of £800,000 to class XIII, vote 5.

All increases will be offset by transfers or charged to the Reserve and will not, therefore, add to the planned total of public expenditure.

Parliamentary Questions

Mr. Maples: To ask the Secretary of State for Scotland when he plans to provide a substantive reply to the question from the hon. Member for Stratford-on-Avon tabled on 7 October 1998. [57987]

Mr. Dewar: Shortly.

WALES

Local Government Finance

Mr. Dafis: To ask the Secretary of State for Wales what was the total allocation of funding made available to each district council and unitary authority in Wales for each of the years 1990 to 1998; and what was the proportion of the allocation spent in each case. [56517]

Mr. Jon Owen Jones: The allocation of funding to each district and county council for 1990–91 to 1995–96 inclusive and to each unitary authority for 1996–97 to 1998–99 inclusive is shown in the following tables. The funding for county councils includes police grant for the years 1990–91 to 1994–95, police authorities have been directly funded from 1995–96 onwards. In all cases authorities' spending has been above the grant allocated to them which has principally been funded through the community charge/council tax.

£ million

	1990–91 (a),(b)	*1991–92 (a),(b)*	*1992–93 (a),(b)*	*1993–94 (a)*	*1994–95 (a)*	*1995–96 (c)*
Alyn and Deeside	5.5	6.9	8.2	8.6	8.9	9.0
Colwyn	4.3	5.0	6.2	6.8	7.2	7.5
Delyn	4.6	6.1	7.2	7.6	8.1	8.1
Glyndwr	2.9	5.1	5.6	4.7	4.7	4.7
Rhuddlan	4.8	6.7	7.6	7.7	7.8	8.0
Wrexham Maelor	9.2	15.1	16.4	14.1	14.7	14.9
Carmarthen	4.9	6.1	6.9	6.8	6.7	6.8
Ceredigion	5.8	7.0	8.2	8.5	8.7	9.2
Dinefwr	3.1	4.4	5.1	5.0	5.2	5.4
Llanelli	7.5	10.2	11.3	11.5	11.7	12.1
Preseli Pembrokeshire	6.0	7.7	9.3	9.7	10.1	10.2
South Pembrokeshire	4.0	4.7	5.9	6.6	7.0	7.4
Blaenau Gwent	10.4	14.2	15.6	14.0	14.3	14.6
Islwyn	7.4	9.6	10.6	10.3	10.6	10.8
Monmouth	5.0	5.7	7.5	7.9	8.2	8.3
Newport	13.8	16.4	19.2	20.7	20.4	20.2
Torfaen	8.2	10.7	11.9	12.3	12.4	12.3
Aberconwy	4.3	5.4	6.7	7.6	7.7	7.6
Arfon	5.3	7.6	8.3	8.6	9.0	9.1
Dwyfor	3.1	4.4	5.0	5.4	5.5	5.5
Meirionnydd	3.4	4.8	5.2	5.2	5.4	5.6
Ynys Mon	6.0	8.4	9.4	9.7	10.2	10.2
Cynon Valley	10.5	11.8	13.1	12.4	12.5	12.7
Merthyr Tydfil	8.3	10.3	11.3	11.4	11.5	11.4
Ogwr	15.4	18.8	20.7	18.5	18.5	19.1
Rhondda	13.1	17.6	18.8	16.5	16.9	16.8
Rhymney Valley	10.2	13.7	15.0	14.6	14.5	14.5
Taff Ely	8.4	10.8	12.4	13.0	13.2	13.1
Brecknock	3.3	4.2	5.0	5.2	5.4	5.8
Montgomeryshire	3.6	4.2	5.3	5.7	6.1	6.6
Radnorshire	1.6	1.9	2.7	2.8	2.8	3.0
Cardiff	25.7	35.6	41.6	40.2	41.2	41.1
Vale of Glamorgan	8.2	9.3	11.9	13.2	13.2	13.0
Port Talbot	6.5	8.3	8.9	8.2	8.2	8.3
Lliw Valley	5.9	7.7	8.4	7.8	7.9	8.0
Neath	7.0	8.5	9.8	9.3	9.2	9.4
Swansea	21.7	26.9	29.8	29.9	30.0	29.9
Clwyd	185.3	205.2	255.8	244.4	254.5	241.9
Dyfed	169.9	188.4	233.0	223.9	231.3	220.8
Gwent	223.7	248.8	298.5	294.3	303.4	266.6
Gwynedd	119.3	128.5	156.5	149.2	153.7	145.9
Mid Glamorgan	269.9	295.8	351.6	353.0	361.0	338.9
Powys	66.8	73.0	87.6	83.6	86.3	83.6
South Glamorgan	193.4	210.6	253.2	247.1	255.5	243.8
West Glamorgan	171.9	191.5	235.4	226.1	235.8	225.5
Total districts	279.0	361.7	412.0	408.0	415.8	420.2
Total counties	1,493.1	1,647.0	1,985.7	1,939.4	2,022.3	1,763.9
Total Wales	1,772.0	2,008.8	2,397.7	2,347.4	2,418.1	2,184.1

£ million

	1996–97 (c),(d)	1997–98 (c),(d)	1998–99 (c),(d)
Isle of Anglesey	52.9	54.9	57.7
Gwynedd	97.6	97.9	101.7
Conwy	79.0	81.0	86.2
Denbighshire	82.0	76.7	82.2
Flintshire	101.8	104.5	113.7
Wrexham	86.5	88.6	94.0
Powys	101.5	105.4	109.0
Ceredigion	57.2	56.8	60.0
Pembrokeshire	91.0	90.8	95.4
Carmarthenshire	130.3	135.2	141.8
Swansea	168.4	172.5	178.5
Neath Port Talbot	110.3	111.4	116.1
Bridgend	94.9	98.1	102.5
The Vale of Glamorgan	83.2	84.0	89.8
Rhondda, Cynon, Taff	203.0	198.5	206.6
Merthyr Tydfil	53.8	54.2	56.5
Caerphilly	134.1	134.5	140.9
Blaenau Gwent	64.7	68.4	70.7
Torfaen	74.5	75.3	79.8
Monmouthshire	53.3	56.5	60.5
Newport	103.5	106.6	111.1
Cardiff	222.2	218.9	231.2
Total unitary authority	2,245.5	2,270.7	2,385.9

(a) Includes Revenue Support Grant, Share of non-domestic rates and specific grants within aggregate external finance (including police grant)
(b) Includes community charge reduction scheme grant
(c) Includes Revenue Support Grant, Share of non-domestic rates and specific grants within aggregate external finance (excluding police grant)
(d) Includes council tax reduction scheme grant

Cervical Cancer

Mr. Martyn Jones: To ask the Secretary of State for Wales what plans his Department has to promote the early screening programme for cervical cancer. [56410]

Mr. Jon Owen Jones: The Department is currently working with Velindre NHS Trust in Cardiff to develop the National Service Framework for Cervical Screening Services in Wales, highlighted in the White Paper—NHS Wales: Putting Patients First, published in January 1998. The framework will begin to be implemented for the whole of Wales by 1 April 1999. The current take-up rate for cervical smears is 84 per cent. of women aged 20–64.

Regional Selective Assistance

Mr. Lansley: To ask the Secretary of State for Wales what was the maximum cost-per-job offered in grant under regional selective assistance in 1997–98 in Wales. [57045]

Mr. Hain: The highest cost-per-job offered was £15,000.

Mental Health

Mr. Barry Jones: To ask the Secretary of State for Wales by what amounts he has assisted MIND in Wales in the last three years; and if he will make a statement. [57443]

Mr. Jon Owen Jones: Under the Mental Illness Strategy the Welsh Office has paid or allocated the following grant assistance to MIND in Wales in the financial years 1996–97 to 1998–99:

£

	1996–97	1997–98	1998–99
MIND Cymru[1]	185,091	189,193	190,492
Local MIND Groups[2]	852,364	912,135	924,112
Total	1,037,455	1,101,328	1,114,604

[1] Grant awarded under the National Voluntary Organisations element of the Mental Illness Strategy and contributes to MIND Cymru's core costs
[2] Grants awarded to local MIND Groups under the Support for People with Disabilities Grant Scheme and for 1996–97 and 1997–98 the Local Voluntary Organisations (LVO) element of the Mental Illness Strategy. From 1998–99 the LVO scheme was replaced by the Local Mental Health Grants Scheme which is administered on behalf of the Welsh Office by the Wales Council for Voluntary Action. Grant awards to local MIND groups are project based and cover a number of activities including drop-in facilities; befriending services; provision of supported accommodation and advocacy services

Cash Limits

Ms Lawrence: To ask the Secretary of State for Wales what changes he is proposing to make to the *(a)* voted and *(b)* non-voted cash limits for his Department and the office of Her Majesty's Chief Inspector of Schools in Wales for the current financial year. [58155]

Mr. Michael: Subject to Parliament's approval of the related Supplementary Estimates, I propose the following changes:

The cash limit on class XIV, vote 1 will be increased by 1,307,000 from £41,428,000 to £42,735,000. This increase reflects the take up of £2,000,000 of capital end-year flexibility amounts as announced by the Chief Secretary to the Treasury on 14 July 1998, *Official Report*, columns *131–36*, for arterial drainage and coast protection schemes and the transfer of £693,000 to class XIV, Vote 3 for Tir Gofal start-up costs.

The cash limit on class XIV, vote 2 will be increased by £6,713,000 from £833,063,000 to £839,776,000. This increase mainly reflects the take-up of end-year flexibility amounts for schools capital of £2,357,000 (including £991,000 of windfall tax resources); an increase in the budget for Regional Selective Assistance of £5,217,000, a transfer of £1,045,000 to class XIV, vote 4 for health related training and a transfer of £293,000 to class XIV, vote 3 for the National Childcare Strategy.

The cash limit on class XIV, vote 3 has been increased by £17,094,000 from £397,101,000 to £414,195,000 and the running costs limit will increase by £6,124,000 from £73,613,000 to £79,784,000. This increase results mainly from the take up of end-year flexibility amounts totally £14,900,000. Of which £2,820,000 has been allocated to the Central Government Roads Programme, £4,028,000 to cover slippage on local authority road scheme, £428,000 to Cadw, £1,000,000 to cover the costs of the North Wales Child Abuse Inquiry and £500,000 to the Mental Handicap Strategy. There are also a number of transfers in and out of the vote including £693,000 from class XIV, vote 1 for Tir Gofal start up costs, £200,000 from class IV, vote 2 for cattle passports and £293,000 from class XIV, vote 2 for the National Childcare Strategy.

The cash limit on class XIV, vote 4 has been increased by £23,389,000 from £2,093,541,000 to £2,116,930,000. This increase mainly reflects the take up of end-year flexibility amounts to meet the revenue costs of Health Authorities (£12,960,000) and the identified capital requirements of NHS Trusts (£17,000,000); the transfer of £8,000,000 into the provision for non-cash limited family health services; the transfer of £1,045,000 from class XIV, vote 2 in respect of health related courses; a transfer of £185,000 from class XI, vote 2 in respect of the Medical Devices Agency evaluation and £210,000 transferred from class IX, vote 1 relating to

students taking higher education courses in professions allied to medicine. The Trust external financing limit has increased by £18,368,000 from £4,308,000 to £52,676,000.

The cash limit on class XIV, vote 5 has been increased by £80,000 from £2,449,735,000 to £2,449,815,000 to cover the costs of the review of Standard Spending Assessments.

The cash limit on class XIV, vote 6 has been reduced by £2,448,000 from £10,216,000 to £7,768,000. The increases are mainly as a result of savings in the nursery inspections programme which has been partially offset by an increase in running costs and the running costs limit has been increased by £323,000 from £3,147,000 to £3,470,000.

The non-voted cash limit local authority capital cash limit WO/LACAP has been increased by £3,003,000 from £370,441,000 to £373,444,000. This increase reflects the take up of £6,385,000 of end-year flexibility mainly to meet slippage on projects supported under (i) Transport Grant (£2,506,000), (ii) Strategic Development Scheme (£2,054,000), (iii) Capital Challenge (£1,372,000). The increase is offset by a reduction of £3,382,000 in the provision for local government reorganisation costs due to lower than expected claims from local authorities.

The non-voted housing cash limit WO/TC has been reduced by £1,168,000 from £74,364,000 to £73,196,000 as result of a transfer within class XIV, vote 3 of supported housing revenue grant from the housing to the personal social services sections.

The increases will be offset by transfers or charges to the Reserve and will not therefore add to the overall level of planned public expenditure.

Welsh Cancer Registry

Mr. Livsey: To ask the Secretary of State for Wales what are the names of the individual consultants who worked under contract to the Welsh Cancer Registry from 1992 until the Registry was closed in 1996. [56375]

Mr. Jon Owen Jones: No consultants were employed by the Wales Cancer Registry from 1992 to 1996.

Parliamentary Questions

Mr. Maples: To ask the Secretary of State for Wales when he plans to provide a substantive reply to the question from the hon. Member for Stratford-on-Avon tabled on 7 October. [57988]

Mr. Michael: Shortly.

LORD CHANCELLOR'S DEPARTMENT

Court Services (Rural Areas)

Mr. Nicholas Winterton: To ask the Minister of State, Lord Chancellor's Department if he will make a statement on his policy towards the availability and provision of court services in rural areas. [56844]

Mr. Hoon: Magistrates courts are locally managed by magistrates' courts committees under the provisions of the Justices of the Peace Act 1997. Decisions concerning the future and number of magistrates' courts in their area are for the relevant MCC to determine. A local authority that contributes financially may appeal to the Lord Chancellor against a proposed closure when such a proposal has been made by a local MCC. The procedure for such appeals is set out in section 56 of the Justices of the Peace Act 1997. In the absence of an appeal, however, the Lord Chancellor plays no part in the process.

The Court Service is responsible for all civil and the higher criminal courts and is required constantly to monitor and review the viability of its court network. Factors taken into consideration include the role played by the court in providing a service to the public in that area, and the effect and implications of providing an alternative for its current users. The criteria for considering the case for and against closure as set out in the Departmental Accommodation Plan are: the condition of the existing accommodation; the availability of facilities; the frequency of judicial visits and waiting times; the facilities provided by the alternative court; and the capacity of that court to cater for the additional work; and distances and public transport considerations. In general, the Court service must look to improve services to an area overall.

Magistrates

Dr. Cable: To ask the Minister of State, Lord Chancellor's Department what plans he has to increase the representation of ethnic minorities among lay and Stipendiary Magistrates; and if he will make a statement. [56723]

Mr. Hoon: The Lord Chancellor requires his Advisory Committees on the appointment of lay magistrates to identify the ethnic composition of their areas and to make strenuous efforts to recruit suitable persons to reflect that composition. A survey of lay magistrates (excluding those in the Duchy of Lancaster) conducted in 1997 indicated that 4.1 per cent. classified themselves as belonging to an ethnic minority. In 1997 the percentage of appointments from the ethnic minorities was 6.5 per cent. Vacancies for acting Stipendiary Magistrates and Stipendiary Magistrates are open to all who are statutorily qualified and applications from members of ethnic minorities are positively encouraged.

Dr. Cable: To ask the Minister of State, Lord Chancellor's Department what plans he has to issue guidelines on cultural, racial and self awareness training for lay magistrates. [56724]

Mr. Hoon: In 1997 the Lord Chancellor approved a major change in the way lay magistrates are trained. In future they will have to demonstrate, through appraisal, performance against a range of required competencies in order that they will be able fully to discharge the full implications of the Judicial Oath. These competencies include: knowledge of different cultures, ethnic minority communities, disadvantaged and vulnerable groups, discrimination and its impact, relevant equality legislation, an understanding of labelling, stereotyping, language and cultural differences, body language and one's own conditioning and personal prejudices.

This new approach to training is being implemented by Magistrates Court Committees over the next 12 months.

As part of the resources for achieving the attainment of these competencies the Judicial Studies Board, in conjunction with the National Association for the Care and Resettlement of Offenders (NACRO), has produced an Equal Treatment training pack which has been supplied to each MCC and magistrates' training officer.

Cash Limits

Jacqui Smith: To ask the Minister of State, Lord Chancellor's Department what changes he plans to make to the cash and running costs limits of the Lord Chancellor's Department Class VIII, Vote 1 for 1998–99. [58087]

Mr. Hoon: Subject to Parliamentary approval of the necessary Supplementary Estimate, the cash limit for Class VIII Vote 1 will be reduced by £2,258,000 from £561,119,000 to £558,861,000. The running costs limit will be reduced by £39,000 from £458,100,000 to £458,061,000.

The reduction to the running costs limit relates to transfers of £485,000 returning to the Home Office owing to the revised timetable for ECHR training under the Human Rights Act 1998 and £446,000 from the Home Office in respect of the Crime and Disorder Bill.

The cash limit reduction of £2,258,000 relates to transfers of £2,065,000 to the Home Office (owing to revised timetable for ECHR training under the Human Rights Act 1998), £1,338,000 from and £1,251,000 to the Home Office (Crime and Disorder Bill), and £280,000 to Supplementary Credit Approvals non-voted expenditure (as a result of a transfer of funds from Magistrates Courts Current Grant to Capital Grant).

Parliamentary Questions

Mr. Maples: To ask the Minister of State, Lord Chancellor's Department when he plans to provide a substantive reply to the question from the hon. Member for Stratford-on-Avon tabled on 7 October 1998. [57998]

Mr. Hoon: Shortly.

Public Appointments

Mr. Vaz: To ask the Minister of State, Lord Chancellor's Department if he will publish the names of those people he has appointed to public bodies since 1 May 1997, indicating the positions to which they have been appointed and whether they receive remuneration. [56794]

Mr. Hoon: The following brings up to date the list of non-judicial appointments made to the Lord Chancellor's public bodies which was provided in my Answer to the hon. Member on 15 December 1997, *Official Report*, columns *44–45*. It does not include re-appointments.

Those not receiving remuneration

Advisory Committees on Justices of the Peace

A. J. Harding J.P.
Mrs. C. C. Walker J.P.
Ms G. D. Johns
Col. M. W. F. Maxse L.V.O.
J. E. Mills J.P.
R. J. Capner J.P.
Miss A. P. Davies
Mrs. D. J. Reeves
Prof. K. C. C. Bancroft
Mrs. M. Doody J.P.
R. B. Jowett
Mrs. S. R. Skelton
Mrs. H. E. Riley-Humfrey
R. M. Greet
Mrs. A. N. Del Mar J.P.
J. L. Quinn J.P.
P. F. Collins J.P.
C. D. Fleming J.P.
J. H. Hill. J.P.
Mrs. C. J. Bays
Mrs. C. Rees J.P.
Mrs. L Donnelly J.P.
T. M. Drake J.P.
P. F. Percey J.P.
M. C. Reeve
Mrs. S. F. Cullen J.P.
R. C. Dykes Esq. J.P.
G. B. Wright Esq. J.P.
Rev. C. O. Weaver M.B.E., J.P.
Mrs. J. Spencer J.P.
J. L. Muncey Esq.
B. D. Parson Esq.
Mrs. J. E. Child J.P.
Mrs. H. E. Murray J.P.
Mrs. J. M. Anthony J.P.
S. J. Telling Esq.
Mrs. K. J. Hay J.P.
Mrs. W. Copson
M. A. Ager Esq., J.P.
J. Allbut Esq., J.P.
Mrs. R. L. Fleet J.P.
Mrs. J. E. Osborne J.P.
Mrs. M. E. Williams J.P.
Mrs. L. Heycock J.P.
R. C. F. Williams Esq.
G. Cowie Esq.
D. H. Barton Esq.
Mrs. B. Jackson
D. Jones Esq., J.P.
M. J. Offord Esq.
Mrs. S. Marwa J.P.
B. J. Griffin Esq., J.P.
Dr. C. B. T. Hill
D. J. Noble Esq.
His Honour Judge Spence
Mrs. M. J. Best J.P.
Mrs. S. J. Eagle J.P.
Mrs. A. F. Whiting J.P.
Miss J. M. Corrigan J.P.
Mrs. E. G. North J.P.
Mrs. S. J. MacLoughlin J.P.
W. D. March Esq., J.P.
P. G. Dick Esq., J.P.
H. A. Rudebeck Esq., J.P.
Mrs. J. Arnold
M. Griffiths Esq., J.P.
Mrs. D. M. Woodmore J.P.
Mrs. J. M. E. MacGregor J.P.
J. Starmer Esq., J.P.
J. Findlay Esq., J.P.

M. Ward Esq., J.P.
Mrs. P. Meredith-Hardy J.P.
I. Clinch Esq., J.P.
Ms Y. Batliwala J.P.
C. Smillie Esq., J.P.
R. G. Harper Esq., J.P.
Mrs. L. Cator
K. Shuttleworth Esq., J.P.
R. Grummett Esq.
N. Osmond Esq.
J. Shrigley Esq.
Mrs. P. Tuner
Mrs. G. V. Barrett J.P.
Mrs. S. M. Eadon J.P.
Mrs. G. M. Matthison J.P.
Mrs. D. Papidas
Mrs. Y. Cornell
Mrs. S. A. Sloan
S. H. C. Verdon Esq., J.P.
N. S. Matheroo Esq., J.P.
Mrs. P. M. Dedman J.P.
Miss A. Khan
B. C. Willett Esq., O.B.E., J.P.
R. Ryatt Esq.
H. C. Vickery Esq., J.P.
R. D. K. Harris Esq.
Mrs. B. H. M. Gorham J.P.
R. J. Bond Esq., J.P.
Mrs. C. M. Bruce J.P.
Mrs. A. Ashton J. P.
Mrs. C. Harris
T. Bottomley
E. Rimmer J.P.
D. Smith J.P.
G. Williams J.P.
T. A. Hughes
Mrs. A. Jones J.P.
Mrs. L. Gapper J.P.
Mrs. S. M. May J.P.
A. E. Brown J.P.
Mrs. H. Bennett J.P.
Mrs. S. L. Crabtree J.P.
K. S. Khangura J.P.
Mrs. J. A. Blackburn K.P.
Mrs. M. Domjan J.P.
A. A. I. Ebrahim J.P.
B. Pearson
M. L. Pearson J.P.
Mrs. T. Waters J.P.
Mrs. D. R. Matthews J.P.
Rev. B. A. Lees
Mrs. L. Slavin J.P.
D. Camsell
J. S. Elliott J.P.
R. Todd
Mrs. J.M. Barrablough J.P.
Mrs. M.M. Carroll J.P.
B. R. Outlaw J.P.
R. Robinson J.P.
B. Halliday J.P.
H. A. S. Daurat J.P.
P. J. Clifton
Mrs. L. A. Falkous J.P.
Mrs. M. A. Walker
Mrs. A. M. Bradshaw J.P.
T. L. Johnson J.P.
T. Moran J.P.
Mrs. A. B. Palmer
S. M. Stringwell J.P.
Mrs. J. L. Frankland J.P.
A. W. Garbutt J.P.
Mrs. P. A. Prince
Mrs. A. Bolter
Mrs. K Nawaz J.P.
D. G. Barrett
H. D. Hill J.P.
Mrs. J. M. Worth J.P.
J. Bancroft J.P.
Mrs. D. M. West J.P.
A. R. Sykes
T. G. Prosser J.P.
T. C. Davies J.P.
M. G. Johnston
W. G. Hughes

Advisory Committees on General Commissioners of Income Tax

P. J. Mayfield Esq.
J. C. R. Clarkson Esq.
Mrs. M. W. Morris
Mrs. P. M. Bailey
C. W. L. Bosher Esq.
T. B. Dunn Esq.
C. Lewisohn Esq.
R. S. Joseph Esq.
J. R. Hubbard Esq.
A. Stewart-Richardson Esq.
M. E. Acland Esq., J.P.
M. R. A. Nicholls Esq.
Mrs. N. M. A. Pollock
J. Francis
C. G. Washington M.B.E.
J. Garner
Mrs. J. M. Davidson
E. E. Greenhalgh J.P.

Advisory Council on Public Records

Ian Coulson Esq.
Professor the Earl Russell
Andreas Whittam Smith Esq.
Mrs. Gillian Hughes
Baroness Trumpington

Civil Justice Council

Lord Woolf, Master of the Rolls
Stephen Cragg
Professor Robert Dingwall
Hilary Heilbron Q.C.
Henry Hodge O.B.E.

Vicky Ling
Professor Martin Partington
Judge John Sessions
Owen Tudor
Ashton West
Vicki Chapman
Carlos Dabezies
District Judge Godfrey Evans
Lord Justice Henry
Ashley Holmes
Michael Napier
Sir Richard Scott, Vice-Chancellor
District Judge Monty Trent
Tim Wallis
Marlene Winfield
and David Gladwell and Peter Jacob, who are both Civil Servants in the Lord Chancellor's Department

Insolvency Rules Committee
The Hon. Mr. Justice Evans-Lombe
Mr. Registrar James
Chief Bankruptcy Registrar Buckley
District Judge Dowling

Family Proceeds Rule Committee
District Judge Rachel Evans
Mrs. J. M. Roberts

Legal Aid Advisory Committee (NI)
Mr. Leslie S. Allamby B.A.

Advisory Committees for the Appointment of General Commissioners of Income Tax (NI)
Mr. C. G. Jenkins F.C.A.
Mr. B. R. Johnston O.B.E., B.Sc.
Mr. G. P. McGrath
Mrs. M. H. McClure
Mr. G. R. Perrin B.A.
Mr. R. W. L. Scott F.R.I.C.S.

Board of the Judicial Studies Board
Mr. Don Manley. J.P. (Mr. Manley J.P. receives an attendance fee)
Mr. Karamjit Singh

Those receiving remuneration

Advisory Committee on Legal Education and Conduct
Lord Justice Mark Potter (draws his judicial salary)

Council on Tribunals
R. J. Elliott Esq.
Mrs. S. R. Howdle

Legal Aid Board
M. Barnes C.B.E., Esq.
P. Hollingsworth Esq.
Mrs. S. Hewitt.

Telford County Court

Mr. Paul Marsden: To ask the Minister of State, Lord Chancellor's Department how much the proposed new extension at Telford County Court will cost. [56456]

Mr. Hoon: There are no plans to build a further extension at Telford County Court. However, a reconfiguration of the current office space and hearing rooms is being investigated at a projected cost of approximately £400,000. This work is mainly as a result of the Civil Justice Reforms and only in part to meet the possible transfer of work from Shrewsbury.

TREASURY

Unemployment

Dr. Starkey: To ask the Chancellor of the Exchequer how many *(a)* men and *(b)* women counted as unemployed according to the International Labour Organisation's criteria are not currently in receipt of jobseeker's allowance or any other form of unemployment benefit; and what were the figures in each case in each of the last five years. [57082]

Ms Hewitt: The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from Tim Holt to Dr. Phyllis Starkey, dated October 1998:

As Director of the Office for National Statistics (ONS), I have been asked to reply to your recent parliamentary question on unemployment.

Estimates of the number of men and women who are ILO unemployed but not claiming unemployment benefits for the period Spring 1992 to Summer 1996 are published in Table 7.5 of the April 1998 issue of *Labour Market Trends* which is available in the House of Commons Library. On average over the period, 84% of ILO unemployed men and 41% of ILO unemployed women were claimants. The proportion of ILO unemployed who were claimants dropped from 72% in 1992 to 66% in 1996.

The figures are derived with reference to both the claimant count and Labour Force Survey results using a methodology based on the results of a study which linked the two data sources. These results cannot be applied after Summer 1996 because of the changes in the benefit system. The ONS is carrying out a second study to decide whether reliable estimates can be produced for the period following the introduction of the Jobseeker's Allowance. The results of this study will be published in *Labour Market Trends* early next year.

Heavily Indebted Poor Countries Initiative

Ms Drown: To ask the Chancellor of the Exchequer when and for what reasons Nigeria was removed from the list of countries eligible for the Heavily Indebted Poor Countries Initiative. [57694]

Ms Hewitt: There is no definitive list of countries that will be eligible for debt relief under the HIPC initiative. Eligibility for the initiative is determined on a case-by-case basis. Criteria used to determine the eligibility of a country include being entitled to World Bank assistance only for the International Development Association (IDA), and the unsustainability of its debt burden even after the full application of traditional debt relief mechanisms.

Ms Drown: To ask the Chancellor of the Exchequer what forecast for world economic growth was originally used to calculate the debt sustainability ratios of countries in the Heavily Indebted Poor Country Initiative; and what assessment he has made of the impact of revised forecasts for growth on the Government's forecast for debt sustainability. [57695]

Ms Hewitt: A country's debt burden is considered unsustainable for the purposes of the HIPC initiative if the debt to exports ratio (in Net Present Value terms) is above 200–250 per cent. after the application of all traditional debt relief mechanisms. This ratio is not itself dependent on any particular rate of world economic growth. In as much as the level of world economic growth affects a country's exports, however, it will impact on the denominator of this ratio.

Ms Drown: To ask the Chancellor of the Exchequer what steps will be taken to revise the debt sustainability ratios used in the Heavily Indebted Poor Countries Initiative to take account of revised estimates of world growth for 1998. [57696]

Ms Hewitt: At the recent meeting of the Development Committee of the IMF and World Bank, it was agreed that there would be a comprehensive review of the HIPC initiative as early as 1999. UK Ministers urged that this review should include consideration of current debt sustainability criteria.

EMU

Mr. Mitchell: To ask the Chancellor of the Exchequer what proportion of the national currency reserves of member states proceeding to stage 3 of Economic and Monetary Union will be *(a)* deposited and *(b)* subsequently available for use by the European Central Bank; if those amounts will be published; and what authority within the Central Bank will be required for them to be used. [57485]

Ms Hewitt: Article 30 of the ESCB Statute states that the individual contributions of the national central banks of participating Member States to the foreign reserve assets of the European Central Bank shall be fixed in proportion to their shares in the subscribed capital of the ECB. Under Article 29 of the ESCB Statute, this provides for weightings based on relative population and national income.

In July, the Governing Council of the ECB decided on the size of the initial transfer of foreign reserve assets to the ECB from the national central banks of participating Member States. The initial transfer of foreign reserve assets will total approximately 40 billion euro. This amounts to around 10 per cent. of the total foreign reserve assets held by euro area Member States at end-September 1998. The remaining reserve assets will be the responsibility of the national central banks, subject to Article 31 of the ESCB Statute.

Article 105(2) of the EC Treaty provides that the European System of Central Banks will hold and manage the foreign reserves transferred by participating Member States and may use these reserves to conduct foreign exchange operations. Under Article 9.2 of the ESCB Statute, tasks conferred upon the ECB may be implemented by the ECB either through its own activities or through the national central banks of participating Member States. The respective roles of the ECB and the euro area central banks in foreign exchange policy issues is a decision for the ECB's governing bodies: the Governing Council and the Executive Board.

Mr. Mitchell: To ask the Chancellor of the Exchequer what body will act as lender of last resort in *(a)* each individual EMU member and *(b)* Europe as a whole when the European Central Bank comes into operation. [57460]

Ms Hewitt: I refer my hon. Friend to the answer given to him by the then Economic Secretary, my hon. Friend the Member for Airdrie and Shotts (Mrs. Liddell), on 9 June 1998, *Official Report*, column *496*. The position as set out in the EC Treaty has not changed.

Mr. Mitchell: To ask the Chancellor of the Exchequer which of the *(a)* policy and *(b)* operational decisions of the European Central Bank will, after 1 January 1999, be the responsibility of its (i) Governing Board, (ii) Executive Council and (iii) Presidency. [57462]

Ms Hewitt: The responsibilities of the Governing Council, Executive Board and President of the European Central Bank are set out in Articles 12 and 13 of the Statute of the ESCB—Protocol No.3 to the EC Treaty. This includes some discretion for the Governing Council to delegate certain powers to the Executive Board.

EU Budget

Mr. Mitchell: To ask the Chancellor of the Exchequer if he will list the main items of income and expenditure of the general budget of the European Community and the contributions and receipts of the United Kingdom, for each year since 1973 calculated at 1996 prices. [57458]

Ms Hewitt: This information can be found in various readily available published sources. The main items of income and expenditure of the general budget of the European Community can be found in the Overview to the 1999 EC Preliminary Draft Budget (SEC)98 800. Information on the United Kingdom's gross contributions, abatement and public sector receipts for the period 1986–87 to 1997–98 can be found in Departmental Reports of the Chancellor of the Exchequer's Departments from 1992 to 1998. Information relating to the years 1985–86 back to 1973–74 can be found in "The Government's Expenditure Plans" from 1979 to 1991. Copies of all these documents are available in the House of Commons Library. An updated list of GDP deflators will be placed in the House of Commons Library, enabling comparison in 1996 prices.

Mr. Mitchell: To ask the Chancellor of the Exchequer what is his policy towards future negotiations relating to the British rebate from the EU. [57415]

Ms Hewitt: The Commission's Own Resources report (7 October 1998) notes:

"even after the rebate, the UK remains a larger net contributor to the EU budget than Member States with a higher capacity to pay".

Against this background the Government are satisfied that the UK abatement remains fully justified. As the Prime Minister told the House on 17 June 1998, *Official Report*, column *368*,

"we shall maintain the United Kingdom budget rebate".

Departmental Spending Plans

Mr. Tyrie: To ask the Chancellor of the Exchequer, pursuant to the oral statement by the Economic Secretary of 26 October 1998, *Official Report*, column 75, what is the size *(a)* in absolute terms and *(b)* as a percentage of each department's spending head of the margins to cover uncertainties built into departmental spending plans. [57594]

Mr. Byers: Table 4.4 of the "Economic and Fiscal Strategy Report" (Cm 3978) showed surpluses on current budget, over and above the balanced position that is necessary to achieve the golden rule. There are additional elements of caution built into the projections from the reserve within DEL and the AME margin in the public spending plans. Figures for departmental spending plans were published in the Comprehensive Spending Review (Cm 4011).

Dividend Tax Credits

Mr. Gibb: To ask the Chancellor of the Exchequer what is his policy in respect of the repayment of dividend tax credits to non-taxpayers; and if he will make a statement. [57121]

Dawn Primarolo *[holding answer 29 October 1998]:* I refer the hon. Member to the reply I gave to the hon. Member for Twickenham (Dr. Cable) on 26 October, *Official Report*, column *37*.

Compensation Claims

Mr. Townend: To ask the Chancellor of the Exchequer what was the total cost to public funds of claims by employees and the public for compensation in respect of *(a)* personal injury and *(b)* employment protection in the latest available year. [56766]

Ms Hewitt *[holding answer 29 October 1998]:* The information is not held centrally.

Young People (Cardiac Disease Deaths)

Mr. Jenkins: To ask the Chancellor of the Exchequer if his Department collects data on the number of young people who have died from cardiac disease; and if he will make a statement. [57135]

Ms Hewitt *[holding answer 29 October 1998]:* The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from Tim Holt to Mr. Brian Jenkins, dated 2 November 1998:

As Director of the Office for National Statistics (ONS), I have been asked to reply to your parliamentary question on the number of young people who have died from cardiac disease.

The ONS collects data on all deaths registered in England and Wales and these are published annually by cause, quinary age-group and sex in the ONS publication "Mortality statistics: Cause, England and Wales" Series DH2, copies of which are available in the House of Commons Library.

The ONS does not have a standard definition of what constitutes a "young" person. However, in 1997, the latest year for which figures are available, 316 people aged under 30 died from diseases of the heart.

Suicides (Agricultural Workers)

Mr. Maclean: To ask the Chancellor of the Exchequer how many suicides have been recorded amongst farmers and other agricultural employees in each of the last 10 years. [57663]

Ms Hewitt: The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from Tim Holt to Mr. David Maclean, dated 2 November 1998:

As Director of the Office for National Statistics (ONS), I have been asked to reply to your recent parliamentary question on suicides amongst farmers and other agricultural employees.

The information requested is shown in the table below.

Suicides amongst farmers and other agricultural employees in England and Wales, 1988–1997

Year of occurrence	*Farmers, horticulturists, farm managers*	*Other agricultural employees*
1988	60	36
1989	45	32
1990	49	33
1991	54	31
1992	47	32
1993	50	35
1994	44	29
1995	41	17
1996	36	35
1997	42	25

The data relate to persons aged between 16 and 74 at the time of their death. Occupation is not coded for deaths to those aged 75 and over.

Overseas Visits

Mr. Malcolm Bruce: To ask the Chancellor of the Exchequer if he will list each overseas trip which he has undertaken on official business over the last four months, giving in each case the *(a)* destination, *(b)* purpose, *(c)* duration, *(d)* means of transport, *(e)* individuals accompanying him, *(f)* cost and *(g)* dates; and if he will make a statement. [57542]

Mr. Gordon Brown: I refer the hon. Member to the answer I gave to the hon. Member for Chesham and Amersham (Mrs. Gillan) on 22 October 1998, *Official Report*, column *1200*.

Landfill Tax

Mr. Gibb: To ask the Chancellor of the Exchequer what percentage of revenue raised as landfill tax is paid by local authorities. [57894]

Ms Hewitt: This information is not held by HM Customs and Excise.

Parliamentary Questions

Mr. Maples: To ask the Chancellor of the Exchequer when he plans to provide a substantive reply to the question from the hon. Member for Stratford-on-Avon tabled on 7 October 1998. [57994]

Ms Hewitt: The hon. Member did not table a question to the Chancellor of the Exchequer on 7 October.

Correspondence

Sir Brian Mawhinney: To ask the Chancellor of the Exchequer when the right hon. Member for North-West Cambridgeshire can expect a reply to his letter of 16 September to the Financial Secretary on behalf of his constituents Mr. and Mrs. Hibbert. [57528]

Dawn Primarolo: A reply was sent to the hon. Member on 26 October 1998.

Jobs Package

Mr. Whittingdale: To ask the Chancellor of the Exchequer what discussions he has had with his EU counterparts on the implementation of a Europe-wide jobs package; and if he will make a statement. [57493]

Ms Hewitt: I, along with my ministerial colleagues, discuss employment matters with our counterparts in other member states from time to time.

Cash Limits

Mr. Caplin: To ask the Chancellor of the Exchequer what changes are proposed in the cash limit and running costs limit for the Inland Revenue in 1998–99. [58269]

Dawn Primarolo: Subject to Parliamentary approval of the necessary Supplementary Estimate, the cash limit for Class XVI Vote 4 will be increased by £97,284,000 from £1,633,425,000 to £1,730,709,000 and the running costs limit will be increased by £84,284,000 from £1,726,296 to £1,810,580,000.

The vote is eligible for a cash limit increase of £28,084,000 running costs and £1,968,000 capital in respect of end year flexibility amounts as announced by my right hon. Friend the then Chief Secretary to the Treasury on 14 July 1998, *Official Report*, columns *131–36*.

In addition there are increases in the cash limit of £46,000,000 running costs for preparatory work on the introduction of income tax credits and work on other measures announced in the March 1998 Budget, and £12,000,000 running costs and £11,032,000 capital to upgrade the department's computer systems.

Offsetting these increases is a transfer of £1,800,000 to the Scottish Office, class XIII, vote 6 in respect of a reduction in the forecast need for development work on income tax in Scotland.

All the increases other than that relating to the interdepartmental transfer will be charged to the reserve and will not, therefore, add to the planned total of public expenditure.

DEFENCE

Territorial Army

6. **Mr. Day:** To ask the Secretary of State for Defence if he will make a statement on problems of overstretch in the armed forces, with particular reference to the future of the Territorial Army. [55882]

Mr. George Robertson: The Strategic Defence Review concluded that we must match the commitments we undertake to our planned resources. This, together with our commitment to achieve full manning for all three Services, will relieve overstretch. Our proposals for the Territorial Army will allow them to be used in a wider and more flexible way. In areas such as medical services, where there is a particular shortage of Regular personnel, we are looking at substantial increases in the number of Territorial Army personnel.

22. **Mr. Colvin:** To ask the Secretary of State for Defence how many Territorial Army centres he proposes to close; and how many of them have ancillary army cadet corps units. [55901]

26. **Mr. John M. Taylor:** To ask the Secretary of State for Defence if he will make a statement on the security of tenure of the TA centre in Haslucks Green road in Shirley in the Solihull constituency and its future use as the parading venue of navy, army and air cadets. [55907]

Mr. Loughton: To ask the Secretary of State for Defence if he will make a statement on the future of the Territorial Army in Sussex. [55883]

Mr. Doug Henderson: An announcement on the future of the Territorial Army will be made shortly.

29. **Mr. Flight:** To ask the Secretary of State for Defence if he will make a statement on the impact of funding changes on the effectiveness of the Territorial Army. [55910]

Mr. Doug Henderson: The new arrangements for the funding of the Territorial Army, which will come into effect in April 2000, are designed to improve the administration of spending on the TA. We do not anticipate that there will be any adverse impact on the operational effectiveness of the TA as a result of the changes.

Maria Eagle: To ask the Secretary of State for Defence what assessment he has made of the role of Territorial Army units in aiding civil authorities in their own areas in times of disaster. [56831]

Mr. Doug Henderson: Territorial Army units are able to provide military aid to civil authorities within their local areas, as an adjunct to their main roles. The links forged with local communities are being taken into account in the current review of the future structure of the Territorial Army.

Maria Eagle: To ask the Secretary of State for Defence what steps he will take to ensure that the establishment of medical units and field hospitals in the Territorial Army is up to strength and has the appropriate mix of skilled doctors and nurses. [56826]

Mr. Doug Henderson: It is my Department's aim that all Territorial Army medical units and field hospitals should be fully complemented with appropriately skilled medical personnel. A review of Army medical services is currently underway and will address a number of issues, including current recruiting difficulties.

Ethnic Minorities (Recruitment)

21. **Mr. Pond:** To ask the Secretary of State for Defence what are the latest figures for recruitment to the armed forces among ethnic minorities. [55900]

Mr. Doug Henderson: I refer my hon. Friend to the answer I gave my hon. Friend the Member for Bolton, South-East (Dr. Iddon) in the House today, *Official Report*, column 546.

Defence Medical Services

23. **Helen Jones:** To ask the Secretary of State for Defence what plans he has to improve the funding of the Defence Medical Services. [55902]

Mr. George Robertson: Following the Strategic Defence Review, significant additional funding, some £140 million, has been made available to enhance the operational capability of the Defence Medical Services and address problems in the Defence Secondary Care Agency. Specific measures include:

Operational Capability

addressing current personnel and equipment shortfalls across the three Services as a matter of priority;

procurement of a 200 bed primary casualty receiving ship, with a second one available on contract at longer notice if required;

ensuring that an additional 800 field hospital beds are available at guaranteed higher readiness; along with their appropriate surgical and other support;

the enhancement of the Army's Regular ambulance evacuation capability;

the establishment a Regular operational medical supply organisation;

the provision of an additional Regular RAF aeromedical evacuation flight and 18 air escort flights;

the enhancement of our capability to provide Regular medical support for deployed operating bases and support helicopters;

Defence Secondary Care Agency

the recruitment of approximately 250 hospital specialists, nurses, technicians and other personnel to bring the Agency up to establishment;

funding to enable potential recruits to be medically evaluated more quickly by specialists when required;

the enhancement of the community psychiatry service.

Naval Air Repair Organisation

24. **Mr. Rapson:** To ask the Secretary of State for Defence if there will be a full audit of the new business scheme at present being used by the Naval Air Repair Organisation prior to the organisation being integrated into the new Defence Aviation Repair Agency. [55903]

Mr. Spellar: There are no plans for the audit of the business scheme used by the Naval Aircraft Repair Organisation to take place before the vesting of the Defence Aviation Repair Agency scheduled for 1 April 1999. The new system is operational but the project cannot be closed until the outstanding mandatory requirement for year 2000 compliancy is met. Firm plans are in place to achieve compliancy by February 1999.

A post-project evaluation will take place in the latter half of 1999, within six months of project completion.

Nuclear Disarmament

25. **Mr. Savidge:** To ask the Secretary of State for Defence what steps the Government are taking to promote global nuclear disarmament. [55905]

Ms Oona King: To ask the Secretary of State for Defence what steps the Government are taking to promote global nuclear disarmament. [55777]

Mr. George Robertson: The Government set out their comprehensive approach towards nuclear disarmament in the Strategic Defence Review (SDR) in July 1998. Many of the national measures announced in the SDR will help lay the ground for UK participation in multilateral negotiations when the conditions are right. In addition, since May 1997 the United Kingdom has:

ratified the Treaty of Raratonga (South Pacific Nuclear Free Zone) in September 1997;

ratified the Comprehensive Nuclear Test Ban Treaty in April 1998;

agreed strengthened international safeguards arrangements for the UK with the International Atomic Energy Agency (IAEA) in September 1998, following international agreement of model strengthened international safeguards arrangements for non-nuclear-weapon states in May 1998;

played an active role in the Nuclear Non-Proliferation Treaty Strengthened Review Process in preparation for the next Review Conference in 2000;

engaged in international consideration at the Conference on Disarmament in Geneva of security assurances to Non-Nuclear-Weapon States;

worked for the successful agreement at the Conference on Disarmament in August 1998 on the opening of negotiations on a treaty to prohibit the production of fissile material in nuclear weapons or other nuclear explosive devices;

continued consultations with regional states of South East Asia aimed at moving towards UK signature of the relevant protocols to the Treaty of Bangkok (South East Asian Nuclear Weapon Free Zone);

entered into discussions with the states of Central Asia on establishment of a nuclear-weapon-free zone in their region;

played a leading role in co-ordinating the international response to the nuclear tests conducted by India and Pakistan in May 1998;

contributed nationally and through the European Union to the Korean Peninsula Energy Development Organisation (KEDO) to assist in full implementation of North Korea's international safeguards obligations; and

continued to make a major contribution to the IAEA's efforts in Iraq.

Mr. Nigel Jones: To ask the Secretary of State for Defence what progress the Government have made towards multi-lateral nuclear disarmament since May 1997. [56028]

Mr. George Robertson: The Government set out their comprehensive approach towards nuclear disarmament in the Strategic Defence Review (SDR) in July 1998. Many of the national measures announced in the SDR will help lay the ground for UK participation in multilateral negotiations when the conditions are right. These include the reduction in the size of our deterrent; greater transparency about our nuclear and fissile material stockpiles; placing fissile material no longer required for defence purposes under international safeguards; reprocessing of spent fuel from the defence Chapelcross reactors under international safeguards; beginning a national historical accounting for fissile material produced; and beginning a programme to develop UK expertise in verifying the reduction and elimination of nuclear weapons. In addition, since May 1997 the United Kingdom has:

ratified the Treaty of Raratonga (South Pacific Nuclear Free Zone) in September 1997;

ratified the Comprehensive Nuclear Test Ban Treaty in April 1998;

agreed strengthened international safeguards arrangements for the UK with the International Atomic Energy Agency (IAEA) in September 1998, following international agreement of model strengthened international safeguards arrangements for non-nuclear-weapon states in May 1998;

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contributed nationally and through the European Union to the Korean Peninsula Energy Development Organisation (KEDO) to assist in full implementation of North Korea's international safeguards obligations; and

continued to make a major contribution to the IAEA's efforts in Iraq.

Duchess of Kent's Hospital, Catterick

28. **Miss McIntosh:** To ask the Secretary of State for Defence if he will provide additional funds to Northallerton health services to offset the impact of the reduction of services at the Duchess of Kent's hospital at Catterick. [55909]

Mr. Doug Henderson: There are no plans to transfer funds from my Department to Northallerton Health Services, following the reduction of services at the Duchess of Kent's Hospital, Catterick.

It is the responsibility of the North Yorkshire Health Authority to provide and allocate their own resources for civilian patient care in their area.

Education and Training

30. **Ms Dari Taylor:** To ask the Secretary of State for Defence what steps the Government are taking to improve education and training opportunities for service men and women and their dependants. [55911]

Mr. George Robertson: We already provide a wide range of education and training opportunities for Armed forces personnel. My "Learning Forces" initiative extends from recruitment to resettlement and beyond, and includes improvements in Service children's schools. It will be a major contribution to the Government's commitment to improving educational opportunities.

Serco Denholm

Dr. Godman: To ask the Secretary of State for Defence what plans he has to modify the operation undertaken, on behalf of his Department, in the firth of Clyde by Serco Denholm. [55879]

Mr. Doug Henderson: Serco Denholm provides the Royal Navy with parts services in the Firth of Clyde. We are at the early stages in considering with Serco Denholm whether the vessels operated by the company on behalf of my Department can be utilised more extensively.

Archer Communications Project

Mr. Chope: To ask the Secretary of State for Defence if he will make a statement on the progress of the Archer Communications project. [55894]

Mr. Spellar: I refer the hon. Member to the oral answer I gave earlier today, *Official Report*, column 552.

Defence Diversification White Paper

Mr. Hoyle: To ask the Secretary of State for Defence when he expects to publish the Government's White Paper on Defence Diversification. [55908]

Mr. Spellar: We hope to publish the White Paper on Defence Diversification shortly.

Gulf War

Mr. Livingstone: To ask the Secretary of State for Defence what is his Department's assessment of the number of British service personnel who were within range of the fallout from the demolition of the Iraqi nerve agent dump at Khamisiyah after the Gulf War in March 1991; how many British service personnel could have been exposed to nerve agents following the demolition of the dump; what work is currently being carried out to re-assess these figures; who is carrying out this work; when this work started and when it is expected to end; if this work is being carried out in co-operation with the United States Government; and if he will make a statement. [55332]

Mr. Doug Henderson: In September 1997, the US Department of Defense (DoD) published a report on the work it had undertaken to try to model the possible dispersion of nerve agent from the demolition of Iraqi chemical munitions at the Khamisiyah ammunition storage facility by US forces in March 1991. This report included a series of maps for successive days showing the theoretical dispersion plume of low concentrations of nerve agent arising from the Khamisiyah demolitions, as predicted by DoD computer modelling.

The Ministry of Defence (MOD) has been keeping in contact with the US authorities on this issue. After the DoD announcement, the MOD obtained a data package from them which allowed UK officials to construct maps on which the known locations of UK units could be plotted in relation to the DoD modelled plume. The initial work on these maps was completed in late 1997, following a trawl of available information as to the location of UK units on 10 and 11 March, which are the days when the DoD modelled plume was at its most extensive. This work was further updated in May of this

year on the basis of further research into British unit locations. Overall, this established that on the critical two days, the following UK unit location data are available:

	10 March	11 March
Total UK units in Theatre	175	175
Locations known[1]	67	72
Recent locations known[2]	51	47
Possible locations known[3]	39	38
Locations not known[4]	18	18

[1] Specific location information for the unit is available for the days in question.
[2] Specific location information is available for the unit some days prior to 10/11 March, in effect the last known location before 10/11 March.
[3] Some information is available for the unit which suggests a possible location for it on or about 10/11 March.
[4] No useful location data for the unit are available for the period around 10/11 March.

This location information is incomplete because UK units and formations officially returned to peacetime reporting procedures, and ceased to record location as a matter of routine, 1200 hours on 8 March (in fact, research has shown that some units ceased wartime reporting as early as 28 February).

Given that the first two stages of work had left a high degree of uncertainty as to many unit locations, it was decided to seek alternative sources of information in order to establish if the location data could be improved. This process is still under way and it is not possible to say when it may be completed or what the outcome may be. However, so far no major improvements in the data have been achieved.

The DoD modelling of the possible Khamisiyah plume is based on a series of worst case assumptions and has a number of limitations. These have been highlighted in the recent report on Gulf War Illnesses by the Special Investigation Unit on behalf of the US Senate Committee on Veterans Affairs.

In view of the current limitations of the available location data on UK units and of the DoD modelling, at present the MOD is not able to give a realistic assessment of the number of UK Service personnel who might have been subject to possible exposure to nerve agent as a result of the Khamisiyah demolitions.

The DoD modelling predicts that personnel within the plume could have received a brief and low level exposure to nerve agent. Current medical evidence suggests that long term health problems would be unlikely to result from exposure to such low levels, although US authorities are funding several research studies to investigate this further.

In response to two questions asked in another place last October, the MOD has been undertaking a review of events concerning a particular UK unit, 32 Field Hospital, and the Khamisiyah incident. This review will include a detailed assessment of the significance of the nerve agent exposure predicted by the DoD modelling.

Trident

Laura Moffatt: To ask the Secretary of State for Defence if he will list the conventional forces assigned to protect Trident *(a)* permanently and *(b)* in an emergency, indicating the annual operating costs of each in the last year for which figures are available. [55371]

Mr. George Robertson: There are no conventional forces operating permanently in protection of Trident. The force elements which we assume for planning purposes to have a role in support of Trident are listed in Annex B to the Strategic Defence Review Supporting Essay on Future Military Capabilities (Essay Six) against Military Task 27—Nuclear forces.

These forces are in practice routinely engaged in a variety of training and other tasks whilst being held at varying levels of readiness for support of Trident. Those designated as "committed" are at short notice; those designated "contingent" are primarily provided for other tasks and would be called upon in support of Trident only in an extreme emergency.

The annual operating cost of "committed" forces is estimated at around £125 million. (This figure also includes an element for six Sea King anti-submarine warfare helicopters and one survey vessel, which are not considered major force elements for the purposes of the force structure tables in the SDR Supporting Essay). For the reasons given, this figure is not attributable directly to Trident, nor does it represent the potential saving if the Trident role were discontinued. The annual operating cost of the forces with a "contingent" role is around £176 million.

Mr. Menzies Campbell: To ask the Secretary of State for Defence if the reduced day-to-day alert state of UK Trident missiles referred to in the report on the Strategic Defence Review involves physical changes to the missiles or their guidance systems. [55868]

Mr. George Robertson *[holding answer 28 October 1998]:* No physical changes to the missiles or guidance systems are involved; UK Trident missiles have been detargeted since 1994. During the Cold War submarines on deterrent patrol were routinely at Quick Reaction Alert, able to fire their missiles within a few minutes. With the single submarine on deterrent patrol now at several days notice to fire, the Commanding Officer has greater flexibility in the day-to-day operation of the vessel and is able to carry out the secondary tasks announced in the Strategic Defence Review without compromising the security or the effectiveness of the deterrent.

Mr. Menzies Campbell: To ask the Secretary of State for Defence what is the maximum number of warheads with which UK Trident missiles have been *(a)* tested and *(b)* deployed. [55986]

Mr. George Robertson *[holding answer 28 October 1998]:* To reveal the number of inert re-entry bodies carried during Trident test firings, or the number of live warheads deployed on individual Trident missiles on UK submarines would give a harmful insight into the capabilities of our deterrent. Therefore I am withholding the answer under Exemption 1 of the Code of Practice on Access to Government Information.

Mr. Corbyn: To ask the Secretary of State for Defence how many Trident submarines are on patrol; what are the total number of war heads in service; and on what target the warheads are directed. [57689]

Mr. George Robertson: We have only one Trident submarine on deterrent patrol at a time. Its missiles are detargetted. Concerning the total number of warheads in service, I refer my hon. Friend to the reply I gave to him on 14 July 1998, *Official Report*, column *167*.

Aircraft Carriers

Mr. Alan Simpson: To ask the Secretary of State for Defence how his Department's estimate of the costs of building and equipping two new aircraft carriers is accounted for within *(a)* the Strategic Defence Review and *(b)* elsewhere. [55798]

Mr. George Robertson: The affordability of the defence equipment programme is assessed through an annual Long Term Costing process, covering a rolling 10 year period. In line with the conclusions of the Strategic Defence Review, provision has been made for those costs of the future carrier programme which fall within this period. It is my firm intention that future Long Term Costings will contain provision for costs which fall outside the current Long Term Costing period.

Aircraft Spare Parts

Mr. Hancock: To ask the Secretary of State for Defence how many RAF aircraft of each type have been used to provide spare parts for other aircraft in each of the last three years. [56051]

Mr. Doug Henderson: This information is not held centrally and could be provided only at disproportionate cost.

"Cannibalisation" of aircraft for parts is a recognised procedure practised by air forces around the world. If an aircraft is undergoing maintenance and is not available for flight, parts may be taken from it to keep other aircraft serviceable, thereby ensuring that the maximum number of aircraft are available with the minimum number awaiting spares deliveries. Stringent procedures are in place to ensure that cannibalisation does not adversely affect air worthiness.

Defence Secondary Care Agency

Mr. Hancock: To ask the Secretary of State for Defence what was the average finished consultant episode cost for the Defence Secondary Care Agency for 1997–98; what was the equivalent figure for 1996–97; what target was set for 1997–98 for this indicator; and what was the performance against target. [56039]

Mr. Doug Henderson: This is a matter for the Chief Executive of the Defence Secondary Care Agency (DSCA). I have asked the Chief Executive to write to the hon. Member.

Letter from Major General C. G. Callow to Mr. Mike Hancock, dated 2 November 1998:

I am replying to your Question to the Secretary of State for Defence about the average finished consultant episode for the Defence Secondary Care Agency (DSCA) as this matter falls within my area of responsibility as Chief Executive of the DSCA.

The estimated average finished consultant episode (FCE) for the DSCA for 1997/98 was £2580. The systems required to calculate this cost were not in place during 1996/97, the first year of the Agency's operation. Therefore, no comparable figure for that year is available. For 1997/98 the Agency was set the target of reducing the average FCE by 3% during the year. This target was not achieved. The final outturn figure for 1997/98 was 1% up on the first quarter of that year.

Mr. Hancock: To ask the Secretary of State for Defence what assessment he has made of the ability of the Defence Secondary Care Agency to deliver the requirement to supply medically trained personnel to meet the operational needs of the commanders in chief during 1998–99; and if he will make a statement. [56066]

Mr. Doug Henderson: This is a matter for the Chief Executive of the Defence Secondary Care Agency (DSCA). I have asked the Chief Executive to write to the hon. Member.

Letter from Major General C. G. Callow to Mr. Mike Hancock, dated 2 November 1998:

1. I am replying to your Question to the Secretary of State for Defence asking what assessment has been made about the ability of the Defence Secondary Care Agency to deliver the requirements to supply medically trained personnel to meet the operational needs of the commanders in Chief's during 1998/99. This matter falls in my area of responsibility as Chief Executive of the Agency.

2. It is my Key Target One, from within the personnel resources provided to the DSCA by the single Services, to meet 100% of the Commanders in Chief's requirements for secondary care trained personnel for operational deployments. We met the target in 1997/98 and we continue to do so during 1998/99.

3. We have recognised, however, that the difficulties faced by the single Services in recruiting sufficient uniformed personnel for the Defence Medical Services will influence greatly our own ability in maintaining our Key Target one performance. Senior military and MOD staff are aware of that position and Minister of State (Armed Forces) has asked for further advice, from the Department, on a number of DMS issues.

Pilots

Mr. Hancock: To ask the Secretary of State for Defence how many RNAS personnel are currently undergoing training to become pilots. [56751]

Mr. Doug Henderson: 175 Royal Naval Air Service personnel are currently undergoing pilot training.

Mr. Hancock: To ask the Secretary of State for Defence how many fully trained pilots have requested to leave the RNAS in each of the last five years. [56753]

Mr. Doug Henderson: The number of trained Royal Navy Pilots applying for premature voluntary release in each of the last five years is as follows. Some who applied for release subsequently withdrew their applications before their due exit dates.

Year of application	*Number of applications*
1993–94	2
1994–95	8
1995–96	24
1996–97	22
1997–98	27

Meteorites

Mr. Öpik: To ask the Secretary of State for Defence what assessment his Department has made of the possible threat to defence satellites presented by the Leonids meteorite shower; what steps it has taken; and if he will make a statement. [56926]

Mr. Doug Henderson: The Defence Evaluation and Research Agency (DERA) has assessed the possible damaging effects that the Leonids meteor shower could present to defence satellites. Indications are that direct impacts with the spacecraft are unlikely to penetrate its skin, but may cause some non-catastrophic erosion of its outer surfaces and solar arrays by sand-blast effect. However, electrostatic interference could introduce anomalous events within the spacecraft electronics. Since it is not possible to remove the spacecraft from the threat, actions are in hand to minimise the possibility of damage. Firstly, to reduce the risk of collision, it is intended to offset the solar arrays to present the smallest practicable cross sectional area during the period of the Leonids shower. Secondly, the operating teams will be reinforced with system experts to manage any electronic problems, and they will closely monitor the spacecraft status prior to, during and after the shower.

The actions being taken to protect defence satellites from the Leonids shower are commensurate with the risk and will themselves not interrupt military communications operations.

Beef and Lamb

Jackie Ballard: To ask the Secretary of State for Defence how much his Department spent on the purchase of British beef and lamb in *(a)* 1996–97, *(b)* 1997–98 and *(c)* 1998–99 to date. [56488]

Mr. Spellar: I refer the hon. Member to the reply given in the House today, *Official Report*, columns 541–42, by my right hon. Friend the Secretary of State for Defence to my hon. Friend the Member for Stafford (Mr. Kidney).

Nuclear Weapons

Mr. Menzies Campbell: To ask the Secretary of State for Defence under what circumstances nuclear weapons are held as a necessary processing margin or for technical surveillance purposes. [55869]

Mr. George Robertson *[holding answer 28 October 1998]:* My Department always needs to hold a processing margin of nuclear weapons to ensure that the required number of weapons are always operationally available. Similarly, technical surveillance—in which weapons are periodically removed from the stockpile, stripped down and analysed—is a normal part of our nuclear weapon stewardship programme to guarantee safety, reliability, and performance.

Submarines (Radiation Alerts)

Mr. Hancock: To ask the Secretary of State for Defence how many radiation alerts there have been on Royal Navy submarines in each of the last 10 years. [57163]

Mr. Spellar: The term "radiation alert" is not a definition used in submarine operations. The lowest category of nuclear accident is defined "as an event which is likely to lead to, or has resulted in, the release of fission products from the fuel".

There has never been an accident of this nature, or by implication an accident in a higher category. In the event of an incident on board a nuclear powered submarine that causes serious concern for the safety of the reactor plant, or which is considered could result in a radiation hazard, the MOD Nuclear Accident Response Organisation would be alerted and activated. Whilst we exercise the procedures in place to deal with such an event, there has been no occasion when these have been required for a genuine incident.

Army Pilots

Mr. Hancock: To ask the Secretary of State for Defence how many Army personnel are currently undergoing training to become pilots. [57189]

Mr. Doug Henderson: As at 1 October, a total of 116 Army personnel were undergoing training to become pilots.

Mr. Hancock: To ask the Secretary of State for Defence how many *(a)* Army and *(b)* RNAS pilots have completed training in each of the last five years. [57165]

Mr. Doug Henderson:

	1993–94	*1994–95*	*1995–96*	*1996–97*	*1997–98*
(a) Army pilots	37	62	58	78	80
(b) RNAS pilots	[1]33	29	37	37	24

[1] This figure is an estimate based on available records

Next Generation Light Anti-tank Weapon

Mr. Hancock: To ask the Secretary of State for Defence when he will announce the selection of bidders for the Next Generation Light Anti-Tank Weapon. [57168]

Mr. Spellar: The Next Generation Light Anti-Armour Weapon, known as NLAW, will comprise a man-portable, shoulder launched, short range light anti-armour weapon. An Invitation To Tender for the competitive Project Definition stage of the project was issued on September last year and bids have now been received from Matra BAe Dynamics UK Ltd., Bofors Anti-Armour AB and Dynamit Nobel Gmbh. These bids are currently being assessed with contract placement expected early in the new year.

Military Detention Centres

Mr. Cox: To ask the Secretary of State for Defence how many military detention establishments there are in England and Wales; and if he will list them. [57436]

Mr. Doug Henderson: One. The Military Corrective Training Centre at Colchester is used for all three Services. The Army has in addition 24 licensed Custody Facilities which can be used for short periods of detention.

Mr. Cox: To ask the Secretary of State for Defence how many *(a)* men and *(b)* women were serving sentences in military detention centres in England and Wales on 1 October. [57435]

Mr. Doug Henderson: On 1 October 1998 there were *(a)* 139 male and *(b)* 2 female detainees at the Military Corrective Training Centre, Colchester which is the sole military detention centre in the UK.

Scots Guards Regiment

Mr. John D. Taylor: To ask the Secretary of State for Defence how many persons in the Scots Guards Regiment were born in *(a)* Scotland, *(b)* the remainder of the United Kingdom, *(c)* the Republic of Ireland and *(d)* elsewhere. [57589]

Mr. Doug Henderson: The following table shows the places of birth of members of the Scots Guards by the locations specified:

Place of birth	*Number*
Scotland	474
Remainder of the United Kingdom	272
Republic of Ireland	0
Elsewhere	38
Total	784

Irish Guards Regiment

Mr. John D. Taylor: To ask the Secretary of State for Defence how many persons in the Irish Guards Regiment were born in *(a)* Northern Ireland, *(b)* the remainder of the United Kingdom, *(c)* the Republic of Ireland and *(d)* elsewhere. [57587]

Mr. Doug Henderson: The following table shows the place of birth of members of the Irish Guards Regiment by the locations specified:

Place of birth	*Number*
Northern Ireland	166
Remainder of the United Kingdom	417
Republic of Ireland	3
Elsewhere	91
Total	677

Welsh Guards Regiment

Mr. John D. Taylor: To ask the Secretary of State for Defence how many persons in the Welsh Guards Regiment were born in *(a)* Wales, *(b)* the remainder of the United Kingdom, *(c)* the Republic of Ireland and *(d)* elsewhere. [57579]

Mr. Doug Henderson: The following table shows the place of birth of members of the Welsh Guards Regiment by the locations specified:

Place of birth	*Number*
Wales	513
Remainder of the United Kingdom	170
Republic of Ireland	0
Elsewhere	25
Total	708

Royal Irish Regiment

Mr. John D. Taylor: To ask the Secretary of State for Defence what is the current strength of the Royal Irish Regiment in Northern Ireland; how many members are *(a)* full-time and *(b)* part-time; how many full-time members have (i) resigned and (ii) joined the regiment this year; and how many part-time members have (1) resigned and (2) joined the regiment this year. [57580]

Mr. Doug Henderson: The current strength of The Royal Irish Regiment in Northern Ireland as at 30 September 1998 is 2,627 full-time, and 1,961 part-time, members.

The number of members who have resigned or given their intention to resign between 1 January and 30 September 1998 was 75 full-time and 131 part-time. Recruitment to the Regiment was 77 full-time and 131 part-time members.

Falkland Islands Garrison (Meat Purchases)

Mr. Nicholas Winterton: To ask the Secretary of State for Defence if he will make a statement on the policy of the military garrison on the Falkland Islands in relation to the country of origin of lamb and beef purchased for its use. [57469]

Mr. Spellar: The procurement of food for the Armed Forces is contracted to Booker Foodservice and this includes supply to our personnel stationed in the Falkland Islands. Our contractor is currently unable to supply British beef to any of our Armed Forces outside of the UK because of the continuing EU export ban. The beef provided is, therefore, predominantly Australian, New Zealand and Uruguayan in origin with a small amount from Brazil, Ireland and Belgium. Some 65 per cent. of the lamb supplied is sourced from New Zealand and Australia with the remainder from Uruguay.

My Department and our contractor have been working closely with farmers' representatives and the Meat and Livestock Commission since the beginning of the year to ensure that every opportunity to buy British meat at competitive prices explored. All of the beef being bought for our Forces in the UK is now British in origin, following agreement by the European Commission to allow access to stocks of British beef in intervention. We are actively pursuing opportunities to purchase British frozen lamb and this includes offering to commit to substantial forward buy to encourage competitive pricing.

Explosives (Brecon)

Mr. Livsey: To ask the Secretary of State for Defence when his Department will publish its report on its investigation of the removal of explosives from Army camps in the Brecon area and the subsequent explosion on 1 September 1997 in Brecon. [56373]

Mr. Doug Henderson: The Board of Inquiry into the theft of explosives from the Infantry Training Centre Wales has reported. As is customary, I am withholding the report of the Inquiry itself under exemption 2 of the Code of Practice on Access to Government Information. But I will write to the hon. Member with a summary of the findings of the Board.

Parliamentary Questions

Mr. Maples: To ask the Secretary of State for Defence when he plans to provide a substantive reply to the question from the hon. Member for Stratford-on-Avon tabled on 7 October 1998. [57989]

Mr. Spellar: Shortly.

Surface Ships

Mr. Maples: To ask the Secretary of State for Defence what budgeted receipts for the sale of Royal Navy surface ships are included within the Ministry of Defence capital

receipts projections for (i) 1998–99 and (ii) 1999–2000; which ships are involved; and what are the total budgeted capital receipts. [57525]

Mr. George Robertson: Receipts for the sale of RN surface ships were forecast at £10.5 million in 1998–99 and £36.4 million in 1999–2000. The Ships concerned are as follows:

1998–99

HMS Arun

HMS Blackwater

HMS Itchen

HMS Spey

HMS Battleaxe

HMS Brazen

HMS Brilliant

1999–2000

HMS Battleaxe

HMS Brazen

HMS Brilliant

HMS Birmingham

HMS Orkney

HMS Beaver

HMS Boxer

HMS London.

The forecast for all Naval capital receipts (including the above) was £29.7 million in 1998–99 and £84.9 million in 1999–2000.

HMS Vernon

Mr. Hancock: To ask the Secretary of State for Defence (1) what account he took in his consideration of bids for the HMS Vernon and Gunwharf site in Portsmouth of the contribution proposed by the bidder to the Millennium Landmark Project for Portsmouth Harbour; [57895]

(2) how much the Government received for the disposal of the HMS Vernon and Gunwharf site in Portsmouth; what was the highest bid received; and what criteria were used to select the successful bid. [57896]

Mr. Spellar: The contribution or cost of the Landmark Project, which is taken to refer to the 'Millennium Tower', had no bearing on the consideration of the bids received for the sale of the Gunwharf site.

Offers for the Gunwharf site were sought on the basis of open market value and took into account the Planning Brief for the site previously provided by Portsmouth City Council. The bid chosen was considered to provide the best value for money. I am withholding information on the details of the sale receipt under exemption 14 of the Code of Practice on Access to Government Information.

PRESIDENT OF THE COUNCIL

Millennium Compliance

Mr. Chope: To ask the President of the Council what progress has been made in ensuring millennium compliance in the systems of central Government and their agencies. [55919]

Mrs. Beckett: The results of the last quarterly review which I announced on 9 September showed that good progress is being made by departments and agencies in tackling the year 2000 problem.

The returns showed that more than half of Departments and Agencies have completed 50 per cent. or more of the necessary work on business critical systems. In a fifth of cases, this figure was higher than 90 per cent.

Public Appointments

Mr. Vaz: To ask the President of the Council if she will publish the names of those people she has appointed to public bodies since 1 May 1997, indicating the positions to which they have been appointed and whether they receive remuneration. [56788]

Mrs. Beckett: Those appointed by the President of the Council are as given. None of the individuals listed is remunerated.

Public bodies	*Appointments*
Architects Registration Board	Miss C. Higgins
	Mrs. B. Kelly
	Ms M. Street
British Broadcasting Corporation	Dame Pauline Neville-James
	Baroness Young of Old Scone
	Mr. R. Sondhi
	Mr. A. Young
	Sir Francis Bland
Council for Professions Supplementary to Medicine	Mrs. S. Cosgrave
	Professor Brian Edwards
	Professor J. Harper
General Medical Council	Mrs. R. Atma
	Mr. J. I. Davies
	Ms S. Leggate
	Rabbi Julia Neuberger
	Mr. J. C. Morton
	Mr. R. Yates
General Osteopathic Council	Miss A. Jones

Public bodies		*Appointments*
Heriot-Watt University	Convocation	Mr. J. Miller
		The hon. Lord Johnson
		Mr. N. Kuenssberg
Imperial College of Science, Technology and Medicine	Governing Body	Mr. W. Banks
		Mr. A. Buxton
		Dr. D. Chatterji
		The hon. Sara Morrison
Loughborough University	Court	Professor J. Hutchinson
		Dr. D. Clark
		Mr. P. Williams
	Visitor	The right hon. Sir Frank Cooper
Political Honours Scrutiny Committee (PHSC)		Baroness Dean of Thornton-le-Fylde
Queen's University of Belfast	Board of Visitors	Lord Lloyd of Berwick
		Mrs. J. McIvor
		Sir William McCollum
		Emeritus Professor W. Black
Royal College of Art	Court	Mr. K. Grange
Registered Homes Tribunals	Panel of Experts	Mrs. S. Adams
		Dr. A. Admani
		Mrs. C. Alford
		Mr. M. Attenborough
		Dr. A. Banerjee
		Mr. M Bishop
		Mr. C. E. Boman
		Mr. R. Brookes
		Mr. D. Browne
		Mr. J. Churchill
		Mr. K. Coleman
		Mr. K. Dainty
		Mrs. R. Doidge
		Mr. W. Dowridge
		Mrs. S. Entwistle
		Mr. J. Fisher
		Mrs. T. Galletly
		Ms S. Gilhespie
		Mrs. L. Gladwin
		Miss D. Graham
		Mrs. D. Grassie
		Mr. G. Harper
		Dr. M. A. Ishak
		Mr. M. Jobbins
		Mrs. N. Kelly
		Mr. A. Kendall
		Dr. S. Kumar
		Mrs. J. Lowcock
		Dr. A. Martin
		Mrs. S. Mead
		Dr. N. Merali
		Mr. R. Mills
		Mrs. M. Nash
		Mrs. E. Newby
		Dr. R. K. Prasad
		Mrs. A. Ross
		Mr. R. SeQueira
		Mr. D. Stanley
		Dr. P. Tiplady
		Dr. C. Treves Brown
		Professor J. Tunstill
		Mrs. D. Tyler
		Mr. C. E. Wakefield
		Mr. R. Ward
		Mr. F. Watts

Public bodies		Appointments
Royal College of Veterinary Surgeons	Council	Mrs. R. Berry Mr. J. Scudamore Mr. P. Staines
Royal Holloway and Bedford New College	Council	Mr. D. Beever
University of Birmingham	Council	Sir David Hannay
University of Buckingham	Academic Advisory Committee Visitor	Professor Paul Langford Lord Neill
University of Hull	Court	Mr. J. Gwinnell Mr. M. Hollingberry Mrs. S. Smith
University of Leicester	Court	Dr. H. Couper Baroness Braye
University of London	Council	The right hon. The Lord Woolf Mr. P. Sober
University of Salford	Court	Mr. A. Strachan
University of Stirling	Conference	Mr. J. Geddes Mr. G. Simmers Ms Margaret Milne
University of Surrey	Court	Mr. K. Taylor
University of Sussex	Court	Mr. M. Burrell Ms G. Rebuck Professor B. Supple
University of Ulster	Court	Mrs. M. Breslin Lord Glentoran
University of Wales, Aberystwyth	Court	Mrs. E. Jones Mr. D. Prosser
University of Wales, Cardiff	Council	Sir Peter Phillips
UMIST	Court	Mr. K. Becket Mr. G. Galley Miss D. Gibbins Mr. D. A. Robson
Victoria University of Manchester	Court	Ms D. Peters Col. J. Timmins Mr. A. Watson

Cash Limits

Mr. Reed: To ask the President of the Council if she intends to make any changes to the 1998–99 cash and running costs limit for the Privy Council Office. [58112]

Mrs. Beckett: Subject to Parliamentary approval of the necessary Supplementary Estimate, the cash limit for Class XVIII, Vote 3 will be increased by £179,000 from £2,708,000 to £2,887,000 and the gross running costs limit reduced by £374,000 from £2,734,000 to £2,360,000.

The increase is accounted for by the taking up of an amount (£179,000) under end year flexibility arrangements as foreshadowed by the Chief Secretary to the Treasury on 14 July 1998, *Official Report*, columns *131–36*. The decrease in the gross running costs limit reflects the transfer of £553,000 to the Cabinet Office (Class XVIII, Vote 1) in respect of funding for the UK Anti Drugs Coordination Unit, as partially offset by the full take-up of end year flexibility.

The increase will be met by a charge on the Reserve, and will therefore not add to the planned total of public expenditure.

HOUSE OF COMMONS

EU Members of Parliament

31. **Mr. MacShane:** To ask the President of the Council if she will take steps to increase support for liaison between hon. Members and members of national Parliaments of EU member states. [55912]

Mrs. Beckett: I am looking at ways of making the EU travel scheme more flexible and hope to make an announcement in due course.

Ministerial Responsibilities

Mr. Casale: To ask the President of the Council if she will publish details of her ministerial responsibilities. [56674]

Mrs. Beckett: As President of the Council, I am responsible for the work of the Privy Council Office. As Leader of the House of Commons, I uphold the rights and privileges of the House. I chair the Select Committee on the Modernisation of the House of Commons.

I am responsible for the arrangement of Government business in the Commons and for planning and supervising the Government's legislative programme. I chair the Ministerial Committees on the Queen's Speeches and Future legislation (QFL), Legislation (LEG), the Ministerial Sub-Committee on Health Strategy (HS(H)) and the Ministerial Groups on Food Safety (MISC1) and on the Millennium Date Change (MISC4). I am the Cabinet Minister responsible for overseeing preparations for addressing the Millennium bug. I also sit on a number of other Cabinet Committees and Sub-committees.

Together with the Minister for the Cabinet Office, I also act as spokesperson for the Government.

NORTHERN IRELAND

Terrorist Organisations

Mr. William Ross: To ask the Secretary of State for Northern Ireland if she will list the name of each known terrorist organisation connected with terrorism in Northern Ireland indicating the number of members of each organisation *(a)* serving a prison sentence and *(b)* on remand; and if she will estimate the number from each organisation she expects to be released under the provisions of the Northern Ireland Sentences Act by (i) 30 September 1998, (ii) 31 December 1998, (iii) 31 March 1999, (iv) 30 June 1999, (v) 30 September 1999, (vi) 31 December 1999, (vii) 31 March 2000, (viii) 30 June 2000 and (ix) 30 September 2002. [55026]

Mr. Ingram: The names of each known terrorist organisation connected with terrorism in Northern Ireland, as proscribed under Emergency Provisions legislation are as follows:

The Irish Republican Army (IRA)—includes Real IRA, Provisional IRA and Continuity IRA

Cumann na mBan

Fianna na hEirann

The Red Hand Commando (RHC)

Saor Eire

The Ulster Freedom Fighters (UFF)

The Ulster Volunteer Force (UVF)

The Irish National Liberation Army (INLA)

The Irish People's Liberation Organisation (IPLO)

The Ulster Defence Association (UDA)

The Loyalist Volunteer Force (LVF)

The Continuity Army Council.

The information in respect of subsections *(a)* and *(b)* of the question is shown in Table A. This is drawn from the prison population as at 26 October 1998.

The information in respect of subsections (i) to (ix) is shown in Table B. It provides an estimate of the releases that the Secretary of State currently estimates to take place in each of the specified periods. This is drawn from information received by the Secretary of State as at 14 October 1998 from the Sentence Review Commissioners to whom prisoners apply for early release.

Information is held in relation to the perceived paramilitary association of prisoners, where applicable, for management purposes. It should be noted however, that with the exception of HMP Maze where links are more clearly defined, this information is based on a combination of factors including the offence, sympathies and associates. The figures do not include prisoners who are regarded as only having either Loyalist or Republican sympathies.

Table A

Prison	*PIRA*	*INLA*	*UDA*	*UVF*	*UFF*	*LVF*	*RHC*
Maze							
Sentenced	106	24	65	57	0	11	0
Remand	6	2	8	8	0	8	0
Maghaberry							
Sentenced	12	8	26	17	6	8	3
Remand	4	6	11	7	0	3	1
Magilligan							
Sentenced	6	2	12	1	1	0	0
YOC							
Sentenced	2	0	0	3	1	0	0
Remand	0	1	1	1	1	0	0
Total	136	43	123	104	9	30	4

Table B

	PIRA	*UDA*	*UVF*	*UFF*	*RHC*
Determinate sentences					
Up to 14 October 1998	42	18	11	2	—
14 October 1998–31 December 1998	39	20	13	1	1
1 January 1999–31 March 1999	3	1	—	—	—
1 April 1999–30 June 1999	5	2	1	—	—
1 July 1999–30 September 1999	4	3	—	1	—
1 October 1999–31 December 1999	8	2	1	1	—
1 January 2000–31 March 2000	5	1	—	1	—
1 April 2000–30 June 2000	1	—	1	—	—
1 July 2000–30 September 2000	19	8	12	4	1
Total	126	55	39	10	2
Lifer sentences					
Up to 14 October 1998	11	9	7	1	—
14 October 1998–31 December 1998	6	9	9	—	—
1 January 1999–31 March 1999	5	2	—	—	—
1 April 1999–30 June 1999	2	—	2	—	—
1 July 1999–30 September 1999	1	—	—	—	—
1 October 1999–31 December 1999	1	1	—	—	—
1 January 2000–31 March 2000	—	—	—	—	—
1 April 2000–30 June 2000	1	—	—	—	—
1 July 2000–30 September 2000	31	1	8	—	1
Total	58	12	26	1	1

Mr. William Ross: To ask the Secretary of State for Northern Ireland if she will list *(a)* each known terrorist organisation connected with terrorism inNorthern Ireland, *(b)* the number of members of each such organisation in prison in Northern Ireland, *(c)* the number in each organisation serving (i) a life sentence and (ii) another indeterminate sentence and *(d)* the number in each group convicted of murder or attempted murder. [55025]

Mr. Ingram: In response to subsections *(a)* and *(b)* of this question I would refer the hon. Member to the written answer given to the previous question, subsections *(a)* and *(b)*.

The information requested in subsection *(c)* of this question is shown in the Table. This is drawn from the prison population as at 26 October 1998. All of the prisoners in the table are serving mandatory sentences, either life imprisonment or detention during the Secretary of State's pleasure, for the offence of murder.

Information is held in relation to the perceived paramilitary association of prisoners, where applicable, for management purposes. It should be noted, however, that, with the exception of HMP Maze where links are more clearly defined, this information is based on a combination of factors including the offence, sympathies and associates. The figures do not include prisoners who are regarded as only having either Loyalist or Republican sympathies.

	Life	*SOSP*	*Total*
INLA	7	0	7
PIRA	28	1	29
UDA	20	2	22
UVF	21	1	22
UFF	5	0	5
RHC	1	0	1
LVF	4	0	4

Terrorist Acts

Mr. William Ross: To ask the Secretary of State for Northern Ireland if she will list for each month in 1998 and for each police division the number of *(a)* arson attacks and *(b)* other attacks causing damage to property owned by (i) each religious denomination in Northern Ireland, (ii) Orange halls, (iii) GAA, (iv) community halls and (v) AOH halls indicating the terrorist organisation to which the police attribute each attack; and in how many cases in each group the police have failed to make any attribution. [53672]

Mr. Ingram: The following table illustrates the number of attacks on property in each police division during the period 1 January to 30 September 1998.

Attacks on Orange Halls, Chapels, GAA/AOH Property

Police Division	*Churches*	*Chapels*	*Orange Halls*	*GAA/AOH*
A	1	—	—	—
B	5	—	1	—
D	2	1	5	—
E	2	—	—	—
G	—	1	1	—
H	1	1	4	1
J	1	3	3	—
K	2	2	5	—
L	2	—	3	—

Attacks on Orange Halls, Chapels, GAA/AOH Property

Police Division	*Churches*	*Chapels*	*Orange Halls*	*GAA/AOH*
N	3	—	—	—
O	1	1	2	1
P	1	3	3	—
Totals	21	12	27	2

Note:
The RUC normally make attribution for incidents to particular groups by taking into account the physical evidence available and/or intelligence information and/or claims of responsibility. Where attribution may be determined by any of these means, it is not RUC policy to make this known except where it is specifically in the public interest to do so, for example the Omagh bombing.

Mr. William Ross: To ask the Secretary of State for Northern Ireland if she will list for each month from January 1997 to the end of September 1998 for each RUC division the number of *(a)* punishment beatings and *(b)* punishment shootings, indicating the numbers attributed by the RUC to (1) the Provisional IRA, (2) the INLA, (3) CAC, (4) other Republican terrorist groups, (5) the UDA, (6) the UFF, (7) the UVF, (8) the LVF and (9) other Loyalist paramilitary organisations. [53673]

Mr. Ingram: Between 1 January 1997 and 30 September 1998 there were 263 paramilitary style assaults and 130 shootings, as set out in the tables.

The RUC attribute these statistics generically to Loyalist and Republican groups. In some cases the police are unable to attribute individual attacks to a particular group. In the absence of a claim of responsibility, they can consider only the physical evidence available or intelligence information. Where attribution may be determined by any of these means, it is not RUC policy to make this known except where it is specifically in the public interest to do so.

Casualties as a result of paramilitary style assaults 1 January 1997 to 30 September 1998—monthly breakdown

	1997		*1998 (to 30 September)*	
Month	*Loyalist*	*Republican*	*Loyalist*	*Republican*
January	7	12	5	3
February	12	14	7	8
March	7	11	6	3
April	5	6	6	1
May	7	4	8	3
June	2	1	8	11
July	8	5	7	7
August	4	4	11	2
September	5	7	9	2
October	6	4	—	—
November	8	7	—	—
December	7	3	—	—
Total	78	78	67	40

Note:
1998 statistics are subject to minor amendment in the light of further information becoming available.

Casualties as a result of paramilitary style shootings 1 January 1997 to 30 September 1998—monthly breakdown

	1997		*1998 (to 30 September)*	
Month	*Loyalist*	*Republican*	*Loyalist*	*Republican*
January	8	1	5	7
February	3	—	—	4
March	8	—	1	4
April	4	1	3	4

Casualties as a result of paramilitary style shootings 1 January 1997 to 30 September 1998—monthly breakdown

Month	1997 Loyalist	1997 Republican	1998 (to 30 September) Loyalist	1998 (to 30 September) Republican
May	2	1	4	1
June	6	2	4	9
July	2	11	4	1
August	5	1	4	1
September	3	1	2	—
October	1	1	—	—
November	2	2	—	—
December	2	5	—	—
Total	46	26	27	31

Note:
1998 statistics are subject to minor amendment in the light of further information becoming available.

President Clinton

Mr. Peter Robinson: To ask the Secretary of State for Northern Ireland what was the cost of RUC Personnel and other associated overtime due to the visit of President Clinton to Northern Ireland in September. [56656]

Mr. Ingram: The RUC manpower costs associated with President Clinton's visit amounted to approximately £1.18 million, of which £475,000 related to RUC overtime.

Parliamentary Questions

Mr. Maples: To ask the Secretary of State for Northern Ireland when she plans to provide a substantive reply to the question from the hon. Member for Stratford-on-Avon tabled on 7 October 1998. [58001]

Marjorie Mowlam: Shortly.

TRADE AND INDUSTRY

Bankruptcy Law

Mr. Gordon Prentice: To ask the Secretary of State for Trade and Industry what proposals he has to amend the law on bankruptcy; and if he will make a statement. [56179]

Dr. Howells: When parliamentary time permits it is intended to introduce legislation to extend the power given in Section 421 of the Insolvency Act 1986 to enable the revision of the Administration of Insolvent Estates of Deceased Persons Order 1996 as well as provisions touching on the liquidation of companies and the disqualification of directors. My right hon. Friend the Secretary of State is developing proposals for a review of the scope for further change. The terms of this review will be announced in the Competitiveness White Paper.

Government Contracts

Mr. Alan Simpson: To ask the Secretary of State for Trade and Industry, pursuant to the Government's Opportunities bulletin list of *(a)* contract notices and *(b)* contract awards, what factors underlie the disparity in the numbers of *(a)* against; and *(b)* where a full list of contract awards can be found. [56934]

Mr. Mandelson: Contract Notices published in the *Official Journal* of the European Community which are also published in Government Opportunities are required for all priority services and supplies where the estimated value is above £104,435 and for all works above £4,016,744. Contract award notices are required for all contracts issued as a result of these notices as well as for all residual services (which do not require a contract notice) where the value is in excess of £155,993. This accounts for the disparity in the number of contract notices and contract awards. There is no full central list of contract awards.

New Millennium Experience Company

Mr. Chope: To ask the Secretary of State for Trade and Industry how many civil servants, expressed in full-time equivalents, are employed in his Department on issues relating to his responsibilities for the New Millennium Experience Company and its activities. [57018]

Mr. Mandelson *[holding answer 27 October 1998]:* Policy responsibility for the New Millennium Experience Company (NMEC) has remained with the Department for Culture, Media and Sport (DCMS). Twelve officials within DCMS support my right hon. Friend the Secretary of State for Culture, Media and Sport and me on issues relating to the Millennium celebrations including the Millennium Experience.

Fraudulent Invention Promoters

Dr. Cable: To ask the Secretary of State for Trade and Industry what action he plans to take in relation to the activities in the United Kingdom of fraudulent invention promoters. [57075]

Dr. Howells: I am aware of concerns about the commercial activities in the United Kingdom of companies which offer to develop and promote inventions internationally.

However, I am not aware of any evidence that any company engaged in this type of business is acting fraudulently.

Should any evidence be drawn to my attention I shall ask for it to be passed to those authorities responsible for investigating allegations of fraud.

Working Time Directive

Mr. Bercow: To ask the Secretary of State for Trade and Industry what assessment his Department has made of the likely impact on British competitiveness of the Working Time Directive. [56912]

Mr. Ian McCartney *[holding answer 28 October 1998]:* An assessment of costs and benefits of the Working Time Directive was made, a copy of which is held in the Library of the House.

Any cost of implementing the Regulations needs to be compared with the benefits of helping to combat stress and absenteeism by ensuring workers receive proper rest. The CBI estimate up to £25 billion was lost in 1996 due to absenteeism. This unregulated absenteeism can damage the productivity of the workforce and the competitiveness of British industry.

Football Televising

Mr. Nigel Jones: To ask the Secretary of State for Trade and Industry what discussions he has had with the Office of Fair Trading regarding the Restrictive Practices Court inquiry into the televising of Premiership football being held in January 1999. [57112]

Dr. Howells: None. The Secretary of State for Trade and Industry has no role in the process of referral to the Restrictive Practices Court of agreements containing significant restrictions on competition. That is a matter for the Director General of Fair Trading. Nor does the Secretary of State have any role in decisions taken by the Court.

Chile

Mr. Paterson: To ask the Secretary of State for Trade and Industry if he will make a statement on the number of British jobs dependent upon trade between the United Kingdom and Chile. [56570]

Mr. Wilson *[holding answer 28 October 1998]:* UK trade in goods with Chile during 1997 totalled nearly £600,000. Both exports and imports were spread across a wide range of sectors, with machinery of various types heading UK exports and non-ferrous metals being Chile's main export. However, no figures are available showing the number of jobs in the UK dependent on trade with Chile.

Latin America

Mr. Wilkinson: To ask the Secretary of State for Trade and Industry in respect of which Latin American country his Department has appointed export promoters; and if he will list individually the total expenditure each incurred in the financial year 1997–98 and their individual budgets for the financial year 1998–99. [57027]

Mr. Wilson *[holding answer 28 October 1998]:* My Department currently has appointed Export Promoters for Argentina, Brazil, Chile, Mexico, Paraguay, Peru and Uruguay.

The financial figures requested are as follows (rounded up):

£

	1997–98 expenditure	*1998–99 budgets*
Argentina/Chile/Uruguay/Paraguay	77,000	62,000
Brazil	76,000	140,000
Mexico	64,000	67,000
Peru	nil	42,000

Mr. Wilkinson: To ask the Secretary of State for Trade and Industry if he will list the budgets he has allocated in the financial year 1998–99 to each country under his Department's Link into Latin America trade programme. [57026]

Mr. Wilson *[holding answer 28 October 1998]:* In 1998–99, the countries covered by the 'Link into Latin America' campaign have been allocated a total promotional budget of £780,000. This includes a budget of £440,000 for a targeted export initiative for Brazil, in the context of Mercosur, arising out of the recommendations of the 1997 Export Forum report. The remainder of the budget is spread across multi-country events and other market specific activities. In addition, the Department provides support for activities such as trade missions to and overseas trade fairs in Latin America through a range of other more general schemes.

Silver (Lion Mark)

Mr. Mitchell: To ask the Secretary of State for Trade and Industry, pursuant to his answer of 19 October 1998, *Official Report*, columns *1048–49*, on silver, if imported silver will be permitted to be submitted to assay offices for the lion stamp; and what the legal and commercial status of the lion stamp will be. [57454]

Dr. Howells: It is proposed that, following amendment of the Hallmarking Act 1973, articles made of imported silver which are submitted to United Kingdom Assay Offices could be struck with the lion symbol. However, only those articles which met the same standards required of products made in the UK could be struck with the lion symbol or any of the other traditional pictorial symbols. The legal status of the lion symbol will remain unchanged in that it will continue to indicate a specific standard of fineness (sterling) for articles made of silver. Since the standards applicable to such articles will remain unchanged after the implementation of the amendments to the Act, I do not consider that the status of the lion symbol will be in any way diminished.

Senator Pinochet

Mr. Wilshire: To ask the Secretary of State for Trade and Industry when he was first informed of the arrest of Senator Pinochet. [57431]

Mr. Mandelson: I read of the arrest of Senator Pinochet in the press on Saturday 17 October.

Cash Limits

Mrs. Gilroy: To ask the Secretary of State for Trade and Industry what changes will be made to the cash and running costs limits for 1998–99 for *(a)* his Department, *(b)* the Office of Fair Trading, *(c)* the Office of Telecommunications and *(d)* the Office of Electricity Regulation. [58093]

Mr. Mandelson: Subject to Parliamentary approval of the necessary supplementary estimates:

(i) the cash limit for class V vote 1—Department of Trade and Industry: programmes and administration—will be increased by £18,683,000 from £1,268,190,000 to £1,286,873,000. This net increase results from:

(a) the take up of running costs and capital end year flexibility (£18,830,000) as announced by my right hon. Friend the Chief Secretary to the Treasury on 14 July 1998, *Official Report*, columns *131–36*;

(b) an adjustment of £303,000 in respect of capital charge adjustments incorrectly attributed to DTI, which should have been attributed to OFGAS (Class V Vote 9);

offset by:

(c) a transfer of £450,000 to the Department of the Environment, Transport and the Regions (Class VI Vote 5) to cover the costs of a new service in respect of the Health and Safety Executive's enforcement of the Working Time regulations and the capital requirements of the Government Offices.

Within this total, the gross running costs limit for the Department of Trade and Industry will be increased by £11,069,000 from £349,172,000 to £360,241,000. This change comprises the take up

of running costs end year flexibility and the adjustment to the running costs limit consequential on the re-attribution of the capital charges to OFGAS.

The take up of the Department's running costs and the capital end year flexibility (£18,830,000) will be charged to the Reserve and will not therefore add to the planned total of public expenditure;

(ii) the cash limit for Class V Vote 2—Department of Trade and Industry: science—will be increased by £30,000,000 from £1,338,497,000 to £1,368,497,000. This net increase results from:

(a) the partial take-up of capital end year flexibility (£5,000,000) as announced by my right hon. Friend the Chief Secretary to the Treasury on 14 July 1998, *Official Report*, columns *131–36;*

(b) additional provision amounting to £25,000,000 covering the Particle Physics and Astronomy Research Council's subscription to CERN for work on the Large Hadron Collider Programme, the increase of student stipends from various Research Councils, contributions to the set-up costs of new programmes at the Medical Research Council, and increased provision for the Swindon Research Councils Pension Scheme.

Both these increases will be charged to the Reserve and will not therefore add to the planned total of public expenditure;

(iii) the cash limit for Class V Vote 7—Office of Fair Trading—will be increased by £2,361,000 from £21,731,000 to £24,092,000 and the running costs limit will be increased by £1,640,000 from £19,301,000 to £20,941,000. These changes reflect the extra resources required to meet commitments carried forward from 1997–98, to carry forward projects which were planned in previous years but not completed, and to undertake work on the new competition legislation. The increase will be charged to the Reserve and will not therefore add to the planned total of public expenditure;

(iv) the cash limit for Class V Vote 8—Office of Telecommunications—will be increased by a nominal £1,000 from £1,000 to £2,000 and the running costs limit will be increased by £481,000 from £10,468,000 to £10,949,000. These changes, which include additional capital provision of £921,000, reflect the extra resources required to cover the cost of implementing the review of OFTEL's organisational structure and give effect to the end year flexibility carry forward of £139,000 on running costs announced by my right hon. Friend the Chief Secretary to the Treasury on 4 July 1998, *Official Report*, columns *131–36*. Although there will be an offsetting increase of £1,401,000 in additional appropriations in aid, the token net increase of £1,000 will be charged to the Reserve and will not therefore add to the planned total of public expenditure;

(v) the cash limit for Class V Vote 10—the Office of Electricity Regulation—will be increased by £939,000 from £1,000 to £940,000 and the running costs limit will be increased by £1,800,000 from £20,000,000 to £21,800,000. These increases reflect the additional resources required by the Director General of Electricity Supply for the engagement of consultants to assist in preparing for the review of electricity trading arrangements and for additional staff to strengthen regulatory capabilities as well as additional capital expenditure amounting to £244,000 for computer equipment for new staff and for projects connected with the review of electricity trading arrangements. Part of this increase will be offset by an additional £1,105,000 in appropriations in aid as a result of increased electricity licence fees. The balance of £939,000 will be charged to the Reserve and will not therefore add to the planned total of public expenditure.

Late Payment Directive

Mr. Cotter: To ask the Secretary of State for Trade and Industry if the EU Directive on Late Payment will require revision to the Late Payment of Commercial Debts (Interest) Act 1998. [57541]

Mrs. Roche: The Government are working closely with the European Commission and other Member States to ensure that small businesses are paid promptly in both domestic and European markets.

The contents of the proposed EU Directive are still the subject of discussions between the European Parliament, the European Commission and Member States. Until these discussions are completed, it is not possible to predict what effect it will have on our own late payment legislation.

Manchester United

Mr. Corbyn: To ask the Secretary of State for Trade and Industry what reference he has made to the Office of Fair Trading concerning BSkyB's bid for Manchester United; and if he will make a statement. [57514]

Dr. Howells: My right hon. Friend the Secretary of State for Trade and Industry announced on 29 October that he had decided, in accordance with the advice of the Director General of Fair Trading, to refer the proposed acquisition of Manchester United plc by British Sky Broadcasting Group plc to the Monopolies and Mergers Commission.

Mr. Corbyn: To ask the Secretary of State for Trade and Industry how many representations he has received from *(a)* the public and *(b)* institutions concerning BSkyB's proposed takeover of Manchester United. [57516]

Dr. Howells: My right hon. Friend the Secretary of State for Trade and Industry has received some 200 representations and petitions concerning BSkyB's proposed acquisition of Manchester United. The great majority of these were from individual members of the public.

Artists' Resale Rights

Mr. Colvin: To ask the Secretary of State for Trade and Industry if he will make a statement on Her Majesty's Government's policy on Droit de Suite for artists and writers. [57921]

Dr. Howells: The Government are concerned that the Commission's proposal for a Directive to harmonise artists' resale right (droit de suite) could drive Europe's international art market offshore with the loss of thousands of jobs without bringing any significant benefit to artists. UK auctioneers and dealers, alone, stand to lose fees of up to £68 million per annum and up to 5,000 jobs. The Government, therefore, will continue robustly to oppose the proposal.

Parliamentary Questions

Mr. Maples: To ask the Secretary of State for Trade and Industry when he plans to provide a substantive reply to the question from the hon. Member for Stratford-on-Avon tabled on 7 October 1998. [57990]

Mr. Mandelson: Shortly.

Copyright

Mr. Nigel Jones: To ask the Secretary of State for Trade and Industry what plans he has to extend copyright to electronically stored information; and if he will make a statement. [57876]

Dr. Howells: United Kingdom copyright law (the Copyright, Designs and Patents Act 1988 (1988 c. 48)) already includes material stored by electronic means. The UK is supporting work at EU and international level to

ensure that similar protection applies in other countries. The proposed EC Directive on Copyright and Related Rights in the Information Society would establish this across the EU, and we are pressing for early agreement on this Directive.

Mock Auctions

Mr. Sanders: To ask the Secretary of State for Trade and Industry when he expects to bring forward proposals to protect consumers who attend one-day sales and mock auctions. [57770]

Dr. Howells: The problems consumers experience at one-day sales and mock auctions are currently being investigated by this Department and the Office of Fair Trading in co-operation with the Trading Standards Organisations with a view to proposals being ready by the end of the year.

HOME DEPARTMENT

Religious Persecution

Mr. Clappison: To ask the Secretary of State for the Home Department (1) what provisions exist for the recording of the incidence of offences motivated by hostility based on the victim's membership of a religious group; [56840]

(2) what guidance he has given to the police and the Crown Prosecution Service regarding assaults and other offences motivated by hostility based on the victim's membership of a religious group; [56839]

(3) what is his assessment of the prevalence of assaults and other offences motivated by hostility based on the victim's membership of a religious group. [56838]

Mr. Mike O'Brien: As my right hon. Friend made clear during the report stage of the Crime and Disorder Act 1998, on 23 June 1998, *Official Report*, column 892, we believe that most—possibly almost all—cases of assault, and other offences, which appear to have a religious element will also have a racial element.

Whilst there is no specific procedure for recording religiously motivated crime, the police, under the racial incidents monitoring scheme, will record any incident in which it appears to the investigating officer that the complaint involves an element of racial motivation or any incident which includes an allegation of racial motivation made by any other person.

The Code of Practice for Crown prosecutors states that, provided there is sufficient evidence to prosecute, there will be a public interest factor in favour of prosecution where the offence was motivated by any form of discrimination against the victim, including where the offence was motivated by discrimination against the victim's religious beliefs. In addition, the Crown Prosecution Service has issued guidance to its staff on the racially aggravated offences contained in the Crime and Disorder Act 1998. Home Office guidance to the police on these offences also refers to religiously motivated crime. A copy of that guidance will be placed in the Library.

We undertook during the passage of the Crime and Disorder Act to monitor the effectiveness of the racially aggravated offences. In addition, the Home Office is commissioning research into the nature and extent of religious discrimination in England and Wales.

Asylum Seekers

Fiona Mactaggart: To ask the Secretary of State for the Home Department if he will instruct his officials to cease to certify asylum claims under section 1 of the Asylum and Immigration Act 1996, solely on the basis of the asylum seeker's country of origin. [56463]

Mr. Mike O'Brien: We plan to abolish the "White List" provision when the opportunity for legislation arises but, in the meantime, we shall continue to operate it subject to due scrutiny of the circumstances of individual cases and the continuing review of conditions in the countries of origin of asylum seekers, as explained in paragraph 9.10 of the White Paper "Fairer, Faster and Firmer—A Modern Approach to Immigration and Asylum" (Cm 4018).

Dr. Cable: To ask the Secretary of State for the Home Department if he will make a statement on the European Parliament's proposal to change the European Convention protocol on asylum seekers to provide for temporary asylum. [57473]

Kate Hoey: The Government accept that there would be benefits in member states co-ordinating their response in the event of a future mass influx of displaced persons, but we have some concerns about the Commission's proposal. These concerns centre on its general inflexibility, and in particular the restrictions on member states acting differentially or independently while a particular regime is in force. These issues are still under discussion in the relevant European Union fora.

Immigration

Fiona Mactaggart: To ask the Secretary of State for the Home Department when he proposes to implement his policy, set out in the White Paper "Fairer, Faster and Firmer" towards people from abroad whose marriages break down within one year due to domestic violence. [56462]

Mr. Mike O'Brien: The details of this concession are still being finalised. I shall make an announcement when this work has been completed.

Police Dogs

Mr. Levitt: To ask the Secretary of State for the Home Department if he will instigate measures to ensure the highest standards of welfare for police dogs under training. [56957]

Mr. Boateng: I am of course concerned that police dogs undergoing training should be provided with the highest standards of welfare and I am assured that this is provided in the majority of cases.

All general-purpose police dogs should be trained along the lines set out in the Home Office Police Dog Training and Care Manual, which emphasises that training should be based on 'Praise and Reward'. The manual explains the need for self control on the part of the handler and stipulates that

'a handler should never resort to physical punishment in training the dog'.

I understand that all police forces have access to an independent veterinary officer. Some forces have recently received visits from both the RSPCA and the National Canine Defence League, who were given full access to all training facilities.

A number of forces entertain visitors to their premises, or hold open days, when visitors may see dogs being trained first hand.

I am unable to comment on the court case involving police officers from Essex Police which is sub judice.

Domestic Violence

Mr. Soley: To ask the Secretary of State for the Home Department what guidance his Department has issued on action required under the Crime and Disorder Act 1998 by *(a)* the police and *(b)* other authorities on domestic violence. [56953]

Mr. Boateng: The Act requires local authorities and the police to work together in partnership with other agencies and the community to conduct local crime and disorder audits, and to develop and implement strategies for reducing crime and disorder in their area.

Domestic violence features significantly in a number of areas in England and Wales. We have therefore stressed in Home Office "Guidance on Statutory Crime and Disorder Partnerships", at paragraph 1.50, that we expect local crime and disorder partnerships to identify the level of domestic violence in their area and to develop and implement strategies for reducing it.

The guidance points out that partnerships should work together with any existing inter-agency domestic violence forum in their area, and states that we expect both the police and local authorities to consider how to co-operate locally with interested parties.

A copy of the guidance is in the Library, and it is also available on the Home Office website: http://www.homeoffice.gov.uk/cdact/index.htm.

Fraudulent Invention Promoters

Dr. Cable: To ask the Secretary of State for the Home Department what action police fraud specialists are taking in respect of the activities in the United Kingdom of fraudulent invention promoters. [57076]

Mr. Boateng: Fraud is a criminal offence and the police investigate all complaints of this nature that are put to them.

I am not aware of any inquiries currently being undertaken by central fraud squads into fraudulent invention promoters. Should evidence of criminal activity by such companies be drawn to the attention of the police, they will be investigated fully.

Prison Service

Mr. Gerrard: To ask the Secretary of State for the Home Department what policies the Prison Service has adopted with regard to the provision of facilities to assist disabled people to visit prisoners. [57335]

Mr. George Howarth: The provision of facilities for visitors is the responsibility of each establishment. The Prison Service has advised governors that, in considering the facilities which should be made available locally, the conditions in which visits take place, and the treatment of visitors, are no less important than the number and length of visits. The specific facilities which are available to assist disabled people to visit prisoners throughout England and Wales are being reviewed as part of the implementation of the Disability Discrimination Act 1995, in accordance with the Government's implementation timetable.

Entry Visas

Mr. Godsiff: To ask the Secretary of State for the Home Department (1) how many nationals of *(a)* Morocco, *(b)* Mozambique, *(c)* Nepal, *(d)* Pakistan, *(e)* Peru, *(f)* the Philippines and *(g)* Romania applied for entry clearance to come to the United Kingdom for temporary purposes, including visitor and student applications, in (i) 1994, (ii) 1995, (iii) 1996 and (iv) 1997; how many visas were issued for temporary purposes; how many recipients of those visas returned to their country of nationality before their visa expired, based on information collected centrally and locally; and how many applied to remain permanently in the United Kingdom or for political asylum; [57322]

(2) how many nationals of *(a)* the Dominican Republic, *(b)* Ecuador, *(c)* Egypt, *(d)* Eritrea, *(e)* Fiji, *(f)* Gabon, *(g)* the Gambia and *(h)* Ethiopia applied for entry clearance to come to the United Kingdom for temporary purposes, including visitor and student applications, in *(i)* 1994, (ii) 1995, (iii) 1996 and (iv) 1997; how many visas were issued for temporary purposes; how many recipients of those visas returned to their country of nationality before their visa expired, based on information collected centrally and locally; and how many applied to remain permanently in the United Kingdom or for political asylum; [57326]

(3) how many nationals of *(a)* Iraq, *(b)* Ivory Coast, *(c)* Jordan, *(d)* Kenya, *(e)* Kuwait, *(f)* Laos and *(g)* Lebanon applied for entry clearance to come to the United Kingdom for temporary purposes, including visitor and student applications, in (i) 1994, (ii) 1995, (iii) 1996 and (iv) 1997; how many visas were issued for temporary purposes; how many recipients of those visas returned to their country of nationality before their visa expired, based on information collected centrally and locally; and how many applied to remain permanently in the United Kingdom or for political asylum; [57324]

(4) how many nationals of *(a)* Georgia, *(b)* Ghana, *(c)* Guyana, *(d)* Haiti, *(e)* India, *(f)* Indonesia and *(g)* Iran applied for entry clearance to come to the United Kingdom for temporary purposes, including visitor and student applications, in (i) 1994, (ii) 1995, (iii) 1996 and (iv) 1997; how many visas were issued for temporary purposes; how many recipients of those visas returned to their country of nationality before their visa expired, based on information collected centrally and locally; and how many applied to remain permanently in the United Kingdom or for political asylum; [57325]

(5) how many nationals of *(a)* Afghanistan, *(b)* Albania, *(c)* Algeria, *(d)* Angola, *(e)* Armenia, *(f)* Azerbaijan and *(g)* Bahrain applied for entry clearance to come to the United Kingdom for temporary purposes, including visitor and student applications, in (i) 1994, (ii) 1995, (iii) 1996

and (iv) 1997; how many visas were issued for temporary purposes; how many recipients of those visas returned to their country of nationality before their visa expired, based on information collected centrally and locally; and how many applied to remain permanently in the United Kingdom or for political asylum; [57330]

(6) how many Zambian nationals applied for entry clearance to come to the United Kingdom for temporary purposes, including visitor and student applications; how many visas were issued for temporary purposes; how many recipients of those visas returned to Zambia before their visa expired in *(a)* 1994, *(b)* 1995, *(c)* 1996 and *(d)* 1997; and how many applied to remain permanently in the United Kingdom or for political asylum; [57083]

(7) how many nationals of *(a)* Liberia, *(b)* Libya, *(c)* Macedonia, *(d)* Madagascar, *(e)* the Maldives, *(f)* Moldova and *(g)* Mongolia applied for entry clearance to come to the United Kingdom for temporary purposes, including visitor and student applications, in (i) 1994, (ii) 1995, (iii) 1996 and (iv) 1997; how many visas were issued for temporary purposes; how many recipients of those visas returned to their country of nationality before their visa expired, based on information collected centrally and locally; and how many applied to remain permanently in the United Kingdom or for political asylum; [57323]

(8) how many nationals of *(a)* the Sudan, *(b)* Syria, *(c)* Taiwan, *(d)* Tanzania, *(e)* Thailand, *(f)* Tunisia and *(g)* Turkey applied for entry clearance to come to the United Kingdom for temporary purposes, including visitor and student applications, in (i) 1994, (ii) 1995, (iii) 1996 and (iv) 1997; how many visas were issued for temporary purposes; how many recipients of those visas returned to their country of nationality before their visa expired, based on information collected centrally and locally; and how many applied to remain permanently in the United Kingdom or for political asylum; [57320]

(9) how many nationals of *(a)* Russia, *(b)* Rwanda, *(c)* Saudi Arabia, *(d)* Senegal, *(e)* Sierra Leone, *(f)* Somalia and *(g)* Sri Lanka applied for entry clearance to come to the United Kingdom for temporary purposes, including visitor and student applications, in (i) 1994, (ii) 1995, (iii) 1996 and (iv) 1997; how many visas were issued for temporary purposes; how many recipients of those visas returned to their country of nationality before their visa expired, based on information collected centrally and locally; and how many applied to remain permanently in the United Kingdom or for political asylum; [57321]

(10) how many nationals of *(a)* Cameroon, *(b)* the Central African Republic, *(c)* Chad, *(d)* China, *(e)* Columbia, *(f)* the Congo and *(g)* Djibouti applied for entry clearance to come to the United Kingdom for temporary purposes, including visitor and student applications, in (i) 1994, (ii) 1995, (iii) 1996 and (iv) 1997; how many visas were issued for temporary purposes; how many recipients of those visas returned to their country of nationality before their visa expired, based on information collected centrally and locally; and how many applied to remain permanently in the United Kingdom or for political asylum; [57327]

(11) how many nationals of *(a)* Bangladesh, *(b)* Belarus, *(c)* Benin, *(d)* Bhutan, *(e)* Bulgaria, *(f)* Burundi and *(g)* Cambodia applied for entry clearance to come to the United Kingdom for temporary purposes, including visitor and student applications, in (i) 1994, (ii) 1995, (iii) 1996 and (iv) 1997; how many visas were issued for temporary purposes; how many recipients of those visas returned to their country of nationality before their visa expired, based on information collected centrally and locally; and how many applied to remain permanently in the United Kingdom or for political asylum; [57328]

(12) how many nationals of *(a)* Yugoslavia, *(b)* Ukraine, *(c)* Vietnam and *(d)* Yemen applied for entry clearance to come to the United Kingdom for temporary purposes, including visitor and student applications, in (i) 1994, (ii) 1995, (iii) 1996 and (iv) 1997; how many visas were issued for temporary purposes; how many recipients of those visas returned to their country of nationality before their visa expired, based on information collected centrally and locally; and how many applied to remain permanently in the United Kingdom or for political asylum. [57319]

Kate Hoey: The available information is given in the tables.

Entry clearance data are available by country of application only, which is not necessarily the country of the applicant's nationality. There were no entry clearance issuing posts in Afghanistan, Albania, Benin, Bhutan, Burundi, Central African Republic, Chad, Congo, Djibouti, Eritrea, Gabon, Haiti, Iraq, Laos, Liberia, Maldives, Moldova, Rwanda or Somalia in 1994–1997 and residents of those countries have to apply elsewhere.

No data are available on the numbers of persons who return to their country of nationality before their leave to enter or remain in the United Kingdom expires.

Information is not available on the number of holders of visas for temporary purposes who apply for asylum or for settlement. The information in Table 2 on grants of settlement includes persons who entered the United Kingdom with a settlement entry clearance; and the data on asylum applications include persons who held no entry clearance.

Table 1
Applications for entry clearance for temporary purposes, and numbers issued 1994–1997

Country of Application	*Applications received*				*Entry clearances issued*			
	1994	*1995*	*1996*	*1997*	*1994*	*1995*	*1996*	*1997*
Algeria	6,630	2,430	2,450	2,660	6,100	2,430	2,450	2,660
Angola	1,140	1,250	1,380	1,490	1,080	1,170	1,230	1,360
Armenia	[1]—	[1]—	240	670	[1]—	[1]—	230	630
Azerbaijan	580	1,130	1,620	2,350	[2]—	1,120	1,390	2,340
Bahrain	4,000	4,280	14,110	13,220	3,900	4,190	14,060	13,130
Bangladesh	15,690	14,220	13,810	13,120	11,240	9,680	9,940	9,460
Belarus	[1]—	1,720	6,770	7,520	[1]—	1,640	6,560	7,280
Bulgaria	10,260	12,590	13,230	14,780	9,950	12,230	12,230	13,890

Table 1
Applications for entry clearance for temporary purposes, and numbers issued 1994–1997

Country of Application	Applications received				Entry clearances issued			
	1994	1995	1996	1997	1994	1995	1996	1997
Cambodia	[1]—	30	60	[1]—	[1]—	30	60	—[1]
Cameroon	1,030	1,420	1,440	1,740	860	1,130	1,180	1,460
China	20,420	22,370	28,370	33,300	20,020	20,280	26,350	28,040
Colombia	140	120	200	14,640	140	120	190	14,200
Congo Dem. Rep. (formerly Zaire)	610	610	950	670	440	480	800	510
Dominican Rep.	[1]—	[1]—	[1]—	420	[1]—	[1]—	[1]—	380
Ecuador	180	160	130	1,660	170	140	110	1,440
Egypt	23,640	25,200	30,110	28,690	22,260	24,080	28,500	26,980
Ethiopia	4,490	3,930	4,870	4,990	2,890	2,950	4,510	4,590
Fiji	260	220	740	730	260	220	740	710
Gambia	700	1,150	2,770	2,960	640	1,000	2,200	2,230
Georgia	[1]—	[1]—	[1]—	1,470	[1]—	[1]—	[1]—	1,440
Ghana	15,960	17,490	18,830	18,470	11,550	12,270	13,140	13,760
Guyana	290	310	1,430	1,530	290	220	1,220	1,330
India	102,790	115,280	126,810	133,980	92,300	103,340	113,460	120,910
Indonesia	25,980	29,020	31,870	31,890	25,910	28,760	29,930	30,070
Iran	23,670	22,930	18,550	20,390	21,010	18,130	14,140	15,440
Ivory Coast	1,140	1,860	1,850	2,030	840	1,360	1,550	1,710
Jordan	8,900	9,640	10,300	9,490	8,770	8,830	10,080	8,660
Kenya	2,270	2,750	18,440	17,420	2,100	2,050	17,260	16,280
Kuwait	8,140	8,310	42,630	40,440	7,310	7,020	39,580	38,430
Lebanon	10,790	11,020	7,880	7,930	9,740	10,620	7,340	7,480
Libya	890	580	280	580	760	570	250	750
Macedonia	50	160	260	260	[2]—	160	260	260
Madagascar	290	290	280	320	290	280	280	320
Mongolia	500	640	550	580	450	510	460	570
Morocco	6,180	7,530	7,970	7,010	5,180	6,520	6,910	5,930
Mozambique	550	540	530	640	540	540	520	620
Nepal	1,760	2,120	2,400	3,060	1,480	1,870	1,880	2,620
Pakistan	63,290	63,940	59,230	50,070	47,850	45,520	42,130	37,120
Peru	250	170	2,930	3,350	230	170	2,870	3,260
Philippines	13,290	16,460	19,680	20,390	12,380	14,580	17,600	18,690
Romania	14,360	16,550	21,120	18,700	13,200	15,820	20,060	17,170
Russia	103,150	113,490	118,730	108,160	100,460	102,940	109,150	104,820
Saudi Arabia	50,430	52,910	51,430	55,400	47,700	49,150	48,750	53,060
Senegal	840	910	980	1,380	640	820	860	1,160
Sierra Leone	1,480	3,210	2,430	590	1,060	2,260	1,960	460
Sri Lanka	9,620	10,050	11,340	11,780	7,420	8,680	10,370	11,200
Sudan	4,970	4,560	3,920	3,350	3,320	3,630	3,130	2,730
Syria	5,100	5,290	5,500	5,730	4,690	4,680	4,980	5,210
Taiwan	52,380	53,520	53,080	50,130	52,380	53,520	53,080	50,180
Tanzania	780	760	6,920	6,870	650	680	6,390	6,500
Thailand	45,270	50,690	51,780	41,850	44,350	49,860	50,250	39,280
Tunisia	6,040	7,860	7,800	7,180	5,620	6,600	4,870	5,390
Turkey	41,480	50,200	64,760	64,140	37,150	45,900	59,850	57,080
Ukraine	16,530	18,830	23,640	22,380	14,530	16,690	21,590	19,540
Vietnam	620	1,040	1,230	1,180	580	830	1,150	1,250
Yemen	3,220	4,770	3,200	3,700	2,820	3,600	2,440	3,220
Yugoslavia	3,210	10,320	13,790	13,550	2,930	9,420	12,970	12,740
Zambia	1,280	1,130	3,860	4,010	1,160	1,030	3,620	3,730

[1] Not available
[2] Not applicable—no entry clearance facilities available in that country

Table 2
Grants of settlement and applications for asylum 1994–1997

Nationality	Grants of settlement[1,2,3]				Applications[4] for asylum			
	1994	1995	1996	1997	1994	1995	1996	1997
Afghanistan	60	90	150	170	325	580	675	1,085
Albania	10	10	20	30	—[5]	—[5]	105	445
Algeria	400	440	400	370	995	1,865	715	715
Angola	30	40	30	60	605	555	385	195
Armenia[5]	[3]—	[10]—	[3]—	[3]—	[5]—	[5]—	5	35
Azerbaijan[5]	[10]—	[10]—	[3]—	[3]—	[5]—	[5]—	*	15
Bahrain	10	20	20	30	[5]—	[5]—	10	5
Bangladesh	2,960	3,250	2,690	2,820	[5]—	[5]—	645	545
Belarus[5]	[3]—	[3]—	10	10	[5]—	[5]—	*	35
Benin	10	10	10	10	[5]—	[5]—	5	5

Table 2
Grants of settlement and applications for asylum 1994–1997

Nationality	Grants of settlement[1,2,3]				Applications[4] for asylum			
	1994	1995	1996	1997	1994	1995	1996	1997
Bhutan	[3]	[10]	[3]	[3]	[9]	[9]	5	10
Bulgaria	100	140	200	160	235	480	305	545
Burundi	[3]	[10]	[10]	[10]	[9]	[9]	60	85
Cambodia	[3]	[3]	10	[3]	[9]	[9]	*	*
Cameroon	60	70	90	80	75	85	105	175
Central African Rep.	[10]	[10]	[10]	[3]	[9]	[9]	*	[9]
Chad	[10]	[10]	[10]	[10]	[9]	[9]	*	5
China	930	1,060	1,120	1,140	425	790	820	1,945
Colombia	260	280	260	230	405	525	1,005	1,330
Congo	[3]	[10]	[3]	[3]	[9]	[9]	75	90
Congo Dem. Rep. (formerly Zaire)	70	120	90	90	775	935	680	690
Djibouti	20	20	[3]	[3]	[9]	[9]	5	*
Dominican Rep.	30	30	30	30	[9]	[9]	[9]	[9]
Ecuador	30	40	30	40	[9]	[9]	435	1,205
Egypt	290	270	320	320	[9]	[9]	20	40
Eritrea	[10]	[3]	10	20	[9]	[9]	135	125
Ethiopia	310	170	130	200	730	585	205	145
Fiji	20	30	30	20	[9]	[9]	[10]	[10]
Gabon	[3]	[3]	10	[3]	[9]	[9]	*	5
Gambia	60	100	110	90	[9]	[9]	245	125
Georgia[5]	[10]	[3]	10	20	[9]	[9]	5	30
Ghana	1,490	1,690	1,840	1,180	2,035	1,915	780	350
Guyana	190	170	180	160	[9]	[9]	15	5
Haiti	[10]	[10]	[3]	[3]	[9]	[9]	[10]	[10]
India	4,400	4,550	4,320	4,270	2,030	3,255	2,220	1,285
Indonesia	90	90	90	80	[9]	[9]	*	5
Iran	990	1,110	1,700	1,040	520	615	585	585
Iraq	570	530	1,560	1,600	550	930	965	1,075
Ivory Coast	20	40	40	30	705	245	125	70
Jordan	160	150	110	150	[9]	[9]	25	15
Kenya	480	460	540	430	1,130	1,395	1,170	605
Kuwait	10	30	20	40	[9]	[9]	25	25
Laos	[10]	[10]	[10]	[10]	[9]	[9]	[10]	[10]
Lebanon	280	400	660	630	215	150	145	160
Liberia	20	10	20	60	140	390	330	205
Libya	120	70	110	120	[9]	[9]	65	100
Macedonia	[3]	10	20	20	[9]	[9]	15	20
Madagascar	[3]	10	[3]	10	[9]	[9]	5	5
Maldives	[3]	[3]	[3]	[3]	[9]	[9]	[10]	[10]
Moldova[5]	[3]	[3]	[3]	10	[9]	[9]	*	20
Mongolia	[10]	[10]	[3]	[3]	[9]	[9]	*	10
Morocco	500	430	460	400	[9]	[9]	15	25
Mozambique	10	20	10	10	[9]	[9]	5	[10]
Nepal	40	60	50	60	[9]	[9]	70	55
Pakistan	6,140	6,220	6,170	5,480	1,810	2,915	1,915	1,615
Peru	100	100	80	110	[9]	[9]	25	15
Philippines	790	980	920	810	[9]	[9]	125	65
Romania	120	190	270	220	355	770	455	605
Russia[5]	140	310	410	470	595	795	205	180
Rwanda[6]	[3]	10	[3]	[3]	80	155	80	90
Saudi Arabia	60	40	40	30	[9]	[9]	5	5
Senegal	10	10	30	10	[9]	[9]	15	5
Sierra Leone	410	430	550	450	1,810	855	395	815
Somalia	1,290	650	640	920	1,840	3,465	1,780	2,730
Sri Lanka	1,810	1,340	2,120	1,540	2,350	2,070	1,340	1,830
Sudan	140	150	360	2,180	330	345	280	230
Syria	70	100	110	120	[9]	[9]	35	50
Taiwan	20	40	60	80	[9]	[9]	[10]	5
Tanzania[7]	180	230	210	140	165	1,535	225	90
Thailand	480	460	500	420	[9]	[9]	15	25
Tunisia	100	80	90	70	[9]	[9]	25	20
Turkey	1,850	1,140	3,710	4,210	2,045	1,820	1,495	1,445
Ukraine[5]	20	40	80	100	[9]	[9]	235	490
Vietnam	30	30	30	50	[9]	[9]	10	10

Table 2
Grants of settlement and applications for asylum 1994–1997

Nationality	Grants of settlement[1,2,3]				Applications[4] for asylum			
	1994	1995	1996	1997	1994	1995	1996	1997
Yemen	170	150	150	110	*—	*—	60	35
Yugoslavia[5]	370	420	440	330	1,385	1,565	1,030	2,260
Zambia	150	190	220	180	*—	*—	30	30

[1] Excluding grants of settlement on arrival
[2] All settlement data are rounded to three significant figures or to the nearest 10 if less than 1,000
[3] Negligible (i.e. five or fewer)
[4] Figures are rounded to the nearest 5 with * = 1 or 2, and exclude dependants
[5] Identified as Total Former Soviet Union until July 1996 when the individual countries became separately identifiable
[6] Data for 1994 are from September onwards
[7] Data for 1994 are for May to December only
[8] Data are for the Total Former Yugoslavia
[9] Not available
[10] Nil

Immigration Holding Centres

Mr. Hancock: To ask the Secretary of State for the Home Department what submissions he has made to the United Nations Working Group on Arbitrary Detentions on the working of UK immigration holding centres. [57187]

Kate Hoey: No submissions were made. The United Nations Working Group on Arbitrary Detention visited the United Kingdom during the week commencing 21 September 1998 to find out more about the United Kingdom's policy and practice on the detention of asylum seekers. The Group will report back to the United Nations Commission on Human Rights next spring. It is the Government's policy to co-operate fully with all of the Commission on Human Rights' independent monitoring mechanisms.

Pit Ponies

Mr. Hancock: To ask the Secretary of State for the Home Department what recent representations he has received concerning the use of pit ponies in the UK. [57160]

Mr. George Howarth: The Department has received a letter and petition from the Fforest Uchaf Horse and Pony Rehabilitation Centre. A reply was sent by my officials on 30 October 1998.

The Coal and Other Mines (Horses) Regulations 1956 set out the requirements about the use of horses and ponies in mines. The Mines Inspectorate of the Health and Safety Executive, which is responsible for enforcing the legislation, say that they have found no evidence of the maltreatment of any horses and ponies used in mines.

Standard Spending Assessment (Fire Component)

Dr. Kumar: To ask the Secretary of State for the Home Department what action he has taken and what progress has been made by his Department in addressing the concerns of fire authorities about the aspect of the fire calls element of the standard spending assessment known as the perverse incentive. [57046]

Mr. George Howarth: The fire service standard spending assessment formula has been considered each year by a Standard Spending Assessment Sub-group, chaired by the Department of the Environment, Transport and the Regions. The local authority representatives on the Sub-group have not themselves this year initiated any proposals for changes to the indicator for fire, false alarm and certain special service calls in the fire service formula. However, the Home Office and the Department of the Environment, Transport and the Regions have put forward options which would amend the basis of calculation and thereby reduce the volatility of the indicator. Decisions on the formula for 1999–2000 will be announced later this year.

We are committed to a fair distribution of grants to local authorities. This is why the Government are, in partnership with local government, establishing a three year programme of research to examine whether there is a better way of determining the distribution of revenue support grant than the present arrangement for standard spending assessments.

UN Covenant on Civil and Political Rights

Mr. Gapes: To ask the Secretary of State for the Home Department what plans he has for Her Majesty's Government to accede to the First Optional Protocol to the United Nations Covenant on Civil and Political Rights. [57410]

Kate Hoey: The Government announced on 3 July 1997, *Official Report*, column *221*, that they intended to review the United Kingdom's position under various international instruments. This includes whether to accept the right of individuals to submit complaints to the United Nations Human Rights Committee under the First Optional Protocol to the International Covenant on Civil and Political Rights. We expect the review to be completed by the end of the year.

Mohammed Rasul Khan

Mr. Rooney: To ask the Secretary of State for the Home Department when the application for leave to remain by Mohammed Rasul Khan, reference K350692, will be determined. [57309]

Kate Hoey *[holding answer 29 October 1998]:* The application, which was received on 12 October and validated on 28 October, has been considered and officials will shortly be writing to Mr. Khan saying that it has been granted.

Young Prisoners

Mr. Burstow: To ask the Secretary of State for the Home Department how many children aged 15 years or below are currently being held in prison. [57637]

Mr. George Howarth: Provisional information shows that there were 203 persons aged 15 years in Prison Service establishments in England and Wales on 30 September 1998.

On that date, there were also 44 young people held under a secure training order—a sentence for persistent offenders aged 12–14 years on conviction—who serve the custodial part of their sentence in a secure training centre or in local authority secure accommodation but not in Prison Service establishments.

Other persons aged under 15 years are remanded to local authority accommodation. Information about these is published in a Department of Health publication entitled "Children accommodated in secure units" (reference A/F 97/21). This information is presented on a financial year basis, with the last report covering the year ending 31 March 1997.

Parenting Orders

Mr. Burstow: To ask the Secretary of State for the Home Department what arrangements his Department has made to monitor the effect of parenting orders. [57638]

Mr. Boateng: Pilot schemes have been set up in nine different areas. These were announced on 3 June 1998, *Official Report*, column *219*.

The pilots will help to identify good practice in implementing a number of the new youth justice measures contained in the Crime and Disorder Act 1998, including the parenting order. The pilots began on 30 September and will run for 18 months.

The pilot schemes are being evaluated by a team of researchers form Sheffield University. The evaluation will provide information about the use of the parenting order, the outcomes of the order and practice in delivering and supervising the order.

Development Land (Sale)

Mr. Cohen: To ask the Secretary of State for the Home Department what the Metropolitan Police's procedures are in respect of local consultation when proposing to sell open land for development. [57545]

Kate Hoey: The Receiver for the Metropolitan Police District tells me that, like other land owners, he looks to planning procedures to provide appropriate local consultation for the development of land that he intends to sell.

Metropolitan Police (Land Sale, Wanstead)

Mr. Cohen: To ask the Secretary of State for the Home Department if he will ensure *(a)* that the Metropolitan Police consult local residents about their proposed sale of land in Wanstead and *(b)* that the land remains open land. [57546]

Kate Hoey: The Receiver for the Metropolitan Police District tells me that the Metropolitan Police are disposing of the land at 23–30 Wanstead High Street, not developing it. As such, it is for the new owners of the land to undertake any appropriate local consultation for their planned development.

Although there has been no formal consultation with local residents, representatives of the Metropolitan Police met a delegation of local residents in August who were protesting about the proposed sale of the land, which is an enclosed site where two houses have been demolished. They explained the reasons for selling the site, and listened to the residents' concerns. A local public inquiry, into the application for a mixed development of shops and flats, is due to be held on 1 December this year, when a planning inspector will hear objections, from local residents and others, before making a recommendation to the Secretary of State.

The use to which the land is put, including making it an open public space, will throughout be subject to planning permission.

Correspondence

Sir Brian Mawhinney: To ask the Secretary of State for the Home Department when the right hon. Member for North-West Cambridgeshire can expect a reply to his letter of 21 September on behalf of his constituent, Mr. Biswas. [57527]

Kate Hoey: The Under-Secretary, my hon. Friend the Member for North Warwickshire (Mr. O'Brien), wrote to the right hon. Member on 30 October 1998.

Sir Brian Mawhinney: To ask the Secretary of State for the Home Department when the right hon. Member for North-West Cambridgeshire can expect a reply to his letter to the Under-Secretary, the hon. Member for North Warwickshire (Mr. O'Brien), of 10 August on behalf of his constituent, Mr. Patrick. [57538]

Kate Hoey: My hon. Friend the Under-Secretary of State replied to the right hon. Member on 28 October 1998. He regrets the delay in doing so.

Sir Brian Mawhinney: To ask the Secretary of State for the Home Department when the right hon. Member for North-West Cambridgeshire can expect a reply to his letter of 19 August, on behalf of his constituent, Mr. Davidson. [57537]

Kate Hoey: My right hon. Friend hopes to be in a position to respond to the right hon. Member shortly.

Obscene Publications

Mr. Prior: To ask the Secretary of State for the Home Department if he will make a statement on the effectiveness of legislation relating to obscene publications. [56096]

Mr. Boateng: The Obscene Publications Act 1959, as amended, has shown itself capable of reflecting changing standards and of adapting to developments in technology. The Government are determined to ensure that the criminal law is effective in protecting people from harmful material and, with this in mind, keep the legislation under review.

Mr. Prior: To ask the Secretary of State for the Home Department how many people have been convicted under the Obscene Publications Act 1959, for publishing obscene literature, in the last year for which figures are available. [56098]

Mr. Boateng: Provisional data for 1997 show that 189 offenders were convicted in England and Wales under section 2 of the Obscene Publications Act 1959 as amended by section 1(1) of the Obscene Publications Act 1964. Information on the type of obscene matter (book, magazine, Internet etc.) used for such an offence is not collected centrally.

Mr. Prior: To ask the Secretary of State for the Home Department what steps he is taking to prevent obscene publications from reaching young people. [56099]

Mr. Boateng: The Government are determined to protect young people from potentially obscene material by ensuring the effectiveness of the existing law.

All publications—including material available via the Internet—are subject to the Obscene Publications Act 1959, which makes it a criminal offence to publish an obscene article; that is, an article which in the view of the court has a tendency to 'deprave and corrupt' those likely to read, see or hear it. In the first instance, it is the responsibility of the police to decide whether there are sufficient grounds to launch a criminal investigation, and that of the Crown Prosecution Service to decide whether to prosecute those alleged to be responsible for the publication.

In respect of material which is not potentially obscene but which may, nevertheless, be unsuitable for young people, the Government support non-statutory schemes, such as the voluntary Code of Practice under which newsagents refuse to sell 'adult' magazines to persons under the age of 18, and the Teenage Magazine Arbitration Panel which oversees a binding set of guidelines on how editors of teenage magazines should deal with sexual matters.

Mr. Prior: To ask the Secretary of State for the Home Department if he will make a statement on the role of the police in investigating the publication of obscene literature. [56100]

Mr. Boateng: Under the Obscene Publications Act 1959, it is the responsibility of the police in individual cases to decide whether there are sufficient grounds to launch a criminal investigation, and that of the Crown Prosecution Service to decide whether to prosecute those alleged to be responsible for the publication.

Under section 3 of the Obscene Publications Act 1959, the police are also granted certain powers of search and seizure with respect to obscene articles.

Three police forces have units dedicated to the investigation of obscene publications: the Metropolitan Police Service; Greater Manchester police; and West Midlands police. These units investigate the production and distribution of pornography, including pornography on the Internet, supervise licensed and unlicensed sex shops, supervise divisional obscene publication cases and provide advice in relation to obscene publication matters to other forces. Police operations are increasingly targeting mail order and duplicating premises in order to tackle the problem at source.

Children's Literature (Classification)

Mr. Prior: To ask the Secretary of State for the Home Department if he will establish a body to classify the suitability of literature for children in the same way as films are classified. [56097]

Mr. Boateng: The Government recognise the importance of protecting children from unsuitable material. The criminal law, booksellers, publishers and parents all have a part to play. The criminal law, through legislation such as the Obscene Publications Act 1959 and the Children and Young Persons (Harmful Publications) Act 1955, protects children from material which is likely to deprave or corrupt them. Responsible booksellers generally place children's books in a designated area within the store, thus reducing the possibility that children—or their carers—would seek to purchase age-unsuitable material. In addition, publishers of teenage magazines have developed a binding set of guidelines dealing with the portrayal of sexual matters. It is also a responsibility of parents to guide their children's reading and to guard against their exposure to unsuitable material.

The Government believe that this offers the best approach and that the establishment of a body to classify works of literature would be likely to pose immense practical problems, given the number of such works which are available and which are produced each year.

Cash Limits

Mr. Reed: To ask the Secretary of State for the Home Department what proposals he has for changes to the 1998–99 cash and running costs limits within his responsibilities. [58109]

Mr. Straw: Subject to Parliamentary approval of the necessary token Supplementary Estimate, the cash limit for Class VII, Vote 1 (Home Office administration, police probation, immigration and other services, England and Wales) will be reduced by £2,588,000 from £4,836,378,000 to £4,833,351,000 and the running costs limit inside the control total will be increased by £3,981,000 from £1,883,450,000 to £1,887,431,000.

The changes in the cash limit are the net effect of the following transfers: £193,000 from the Cabinet Office, Class XVIII, Vote 2 in relation to Communications Electronics Security Group charges; £1,153,000 to the Crown Prosecution Service, Class VIII, Vote 4 and £1,648,000 to the Lord Chancellor's Department Class VIII, Vote 1 in respect of costs relating to the Crime and Disorder Act; £14,000 to the Scottish Office, Class XIII, Vote 5 and £4,000 to the Northern Ireland Office, Class XV, Vote 1 in respect of the European Year Against Racism. The Supplementary Estimate will also cover transfer of responsibility for the Freedom of Information Unit from the Cabinet Office, Class XVII, Vote 1.

The increase in the running costs limit is the net effect of payments of £3,500,000 from the Metropolitan Police, £442,000 from the Cabinet Office, £95,000 from the Welsh Office for information services and from the Northern Ireland Office for legal services and £39,000 from the Lord Chancellor's Department.

The increases will be offset by transfers and will not therefore add to the planned total of public expenditure.

Persistent Young Offenders

Mr. Syms: To ask the Secretary of State for the Home Department what proportion of *(a)* those dealt with by the youth court and *(b)* all juvenile offenders fall within the definition of persistent young offenders. [57512]

Mr. Boateng: Specific figures are not available for the number of persistent young offenders dealt with in the youth court. However, in 1997 in England and Wales a total of 79,151 persons (provisional figures) aged 10 to 17 were found guilty of offences in magistrates' courts and the Crown Court combined—including the youth court. Also, an exercise carried out in 1997 to establish the average length of time taken to deal with persistent young offenders from arrest to sentence identified a total of 16,090 occasions on which persistent young offenders were dealt with. Taken together, these figures, which are on a broadly comparable basis, suggest that persistent young offenders account for 20 per cent. of occasions on which young offenders were dealt with by the courts in 1997.

Mr. Syms: To ask the Secretary of State for the Home Department what are the basis and methodology of the calculation of the benchmark figure of 142 days, against which progress to halve the time from arrest to sentence for persistent young offenders will be measured; what progress has been made to date; and what definition will apply of persistent young offenders. [57513]

Mr. Boateng: The calculation for the baseline figure of 142 was based on a representative sample of almost 1,500 occasions during 1996, at which slightly over 900 persistent young offenders were sentenced for almost 4,500 offences across England and Wales. The dates on which the sampled persistent young offenders were sentenced were obtained from the Police National Computer, Phoenix. Because Phoenix does not generally hold information on arrest dates, arrest dates were surveyed directly from police forces. For offences where there was no arrest, dates of laying of information were collected instead. The arrest to sentence time for each occasion on which a persistent young offender was sentenced was then calculated as follows. The date of arrest for the sentencing occasion was defined as the earliest date of arrest (or date of laying information where there was no arrest) related to the offences for which a sentence was passed. The time from arrest to sentence is then the difference (in calendar days) between the date of sentence and the date of arrest. The national baseline was calculated as the mean arrest to sentence time for the sampled sentencing occasions.

The data for 1997 show signs of improvement. The annual figure for 1997 as a whole shows a reduction to 141 days, while improvements from 1 May 1997 reduced the average time to 138 days. To monitor progress towards the pledge the Government have put systems in place to produce regular data on the time between arrest and sentence for persistent young offenders. These will produce usable data from late 1999.

The Government have asked all youth courts to set up fast-tracking schemes for persistent young offenders, and last month set demanding performance targets for all stages up to and after trial. The Crime and Disorder Act 1998 will also enable statutory time limits to be set in cases involving young offenders.

A persistent young offender is defined as a young person who has been sentenced on three or more separate occasions by any criminal court in the United Kingdom for one or more recordable offences, and within three years of the last sentencing occasion is subsequently arrested or has an information laid against him for a further recordable offence.

Parliamentary Questions

Mr. Maples: To ask the Secretary of State for the Home Department when he plans to provide a substantive reply to the question from the hon. Member for Stratford-on-Avon tabled on 7 October. [57995]

Mr. Straw: Shortly.

SOCIAL SECURITY

Incapacity Benefit

Mr. Gordon Marsden: To ask the Secretary of State for Social Security (1) what estimate his Department has made of the total level of fraud in the payment of incapacity benefit; [55936]

(2) how much fraud has been detected in the payment of incapacity benefit in each of the last three years. [55942]

Mr. Denham: Tackling fraud and abuse is a top priority for the Government. Operational issues are the responsibility of Peter Mathison, the Chief Executive of the Benefits Agency. He will write to my hon. Friend.

Letter from Peter Mathison to Mr. Gordon Marsden, dated 28 October 1998:

The Secretary of State for Social Security has asked me to respond to your recent Parliamentary Questions about the total level of fraud in the payment of Incapacity Benefit (IB) and how much fraud has been detected in the payment of IB in each of the last three years.

The information is not available in the format requested. The Benefits Agency's (BA's) Benefit Review Programme aims to estimate how much benefit is being paid incorrectly, including fraud and establish causes of incorrect payments. To date Benefit Reviews have been carried out on Income Support (twice), Unemployment Benefit, Housing Benefit (twice), Retirement Pension, Invalid Care Allowance, Disability Living Allowance and Child Benefit/Child Benefit (Lone Parent), but not on IB. Consequently, no formal assessment of the level of fraud in IB is currently available.

Information about the amount of fraud detected in individual benefits has only been separately collected since April 1997. In 1997–98 the BA saved a total of £1,918 million as a result of anti-fraud activity. Savings to IB comprised £7.4 million (or 0.4%) of this total figure.

However, there is a difference in the level of fraud detected by investigative work and the level of fraud estimated by the Benefit Review programme. Benefit Reviews estimate the total amount of incorrectness, including fraud, within a particular benefit. A random, but statistically valid, sample of customers is selected and a review of their circumstances is carried out. Therefore, whilst savings figures from investigations demonstrate what fraud has actually been detected, Benefit Reviews estimate the levels of fraud and incorrectness in the benefits reviewed.

The BA is undertaking a range of projects and initiatives all of which are designed to achieve a sustained reduction in the level of fraud across the benefit system. The Government's recent Green Paper "Beating Fraud is Everyone's Business: Securing the Future" sets out a comprehensive strategy for tackling fraud in the wider context of welfare reform.

I hope you find this reply helpful.

Ms Walley: To ask the Secretary of State for Social Security how many people who are currently waiting to attend an incapacity benefit appeal tribunal in the West Midlands have been waiting *(a)* one month, *(b)* two months, *(c)* three months and *(d)* six months and over. [57058]

Angela Eagle: The information is not available in the form requested. However, at the end of June 1998, the number of people waiting to attend an Incapacity Benefit Appeal Tribunal lodged with the Birmingham local office of The Independent Tribunal Service, totalled 2,498. Of these, 213 have been waiting less than one month, 870 between one and three months, 540 between three and six months and 875 over six months.

Source:

Appeals—Data supplied by Analytical Services Division (ASD) from the Independent Tribunal Service Generic Appeals Processing System.

Pensions

Mr. Hancock: To ask the Secretary of State for Social Security what estimate he has made of the cost of equalising retirement benefits for United Kingdom state pensioners resident in other countries. [55802]

Mr. Prior: To ask the Secretary of State for Social Security how many pensioners, with United Kingdom pension rights, living abroad have had their pensions frozen; and if he will estimate the cost of upgrading these pensions. [56227]

Mr. Denham: Around 450,000 pensioners living abroad receive a basic UK State Pension which is frozen, either at the rate paid on leaving the UK or, if already living abroad, at the rate when first awarded.

The total annual cost of uprating frozen UK basic State Pensions paid overseas to the rate paid to pensioners resident in the UK would be £275 million.

Mr. Prior: To ask the Secretary of State for Social Security if the Pensions Review will examine the pension claims of those pensioners living abroad. [56228]

Mr. Denham: The Pensions Review has received a number of representations from pensioners and organisations representing pensioners who live in countries where basic UK pension rates are not uprated in line with pensions paid in the UK.

As there are competing demands and constraints on Social Security spending in the United Kingdom, it would be wrong to raise expectations that uprating UK pensions paid abroad is likely to attract priority in the current circumstances.

Mr. Prior: To ask the Secretary of State for Social Security how many pensioners with United Kingdom pension rights are currently living abroad. [56230]

Mr. Denham: Around 840,000 pensioners living abroad receive a United Kingdom basic State Pension.

Mr. Webb: To ask the Secretary of State for Social Security, pursuant to his answer of 26 October 1998, *Official Report*, column *25*, on pensioner incomes, by what means hon. Members may obtain statistical information on the incomes of pensioners prior to 1979. [57660]

Mr. Denham: The Department's Pensioners' Incomes Series datasets start with 1979. Consistent datasets for earlier years could be provided only at disproportionate cost.

The Department does hold a copy of the Households Below Average Income 1961 to 1991 dataset created by the Institute for Fiscal Studies. It has not been used to analyse pensioners incomes. It is Government Statistical Service practice to use only datasets created within Government Departments or under the direction of Government analysts for answering questions that require fresh analysis.

Mr. Prior: To ask the Secretary of State for Social Security if he will make a statement on the date of publication of the Pensions Review. [56229]

Mr. Denham: As set out in the Green Paper "New Ambitions for our country: A New Contract for Welfare" (Cm 3805), we will publish a Green Paper on pensions later this year. There will then be a period of further consultation before final proposals are developed.

Asylum Seekers

Mr. Steen: To ask the Secretary of State for Social Security how many asylum seekers are currently claiming

benefit in the United Kingdom; from which countries they came; and how much benefit they are being paid each month. [55872]

Angela Eagle: The information is not available in the format requested. Such information as is available is set out in the table. There is an overlap in the figures provided as most claimants receive both Housing Benefit and Council Tax Benefit.

Numbers and average monthly amounts of benefit paid to an asylum seeker in May 1997

Benefit	Number of recipients	Average monthly amount of benefit (£)
Income Support	45,000	255.90
Housing Benefit	36,000	356.90
Council Tax Benefit	21,000	42.00

Notes:

1. The number of recipients are rounded to the nearest thousand; average amounts to the nearest 10 pence.
2. The average monthly amount of benefit is calculated by multiplying the average weekly amount by 52 and dividing by 12.
3. Asylum seekers cannot be distinguished from other urgent case payments.
4. Information refers to benefit units, which may be a single person or a couple.
5. Housing Benefit and Council Tax Benefit figures relate only to those claimants also in receipt of Income Support.
6. A later approximate figure of 42,000 asylum seekers claiming Income Support is available, from the February 1998 QSE. However, the May 1997 figure has been used in table to ensure the data are comparable with the Housing Benefit and Council Tax Benefit data.

Sources:

1. Income Support Quarterly Statistical Enquiry, 5 per cent. sample, May 1997.
2. Housing Benefit Management Information System, annual 1 per cent. sample of claimants also in receipt of Income Support, May 1997.

A breakdown of asylum seekers currently claiming benefit by country of origin is not available. However, copies of the Home Office monthly asylum statistics and Home Office Statistical Bulletins, which show the rate of asylum applications by country, are placed in the Library.

Policy Proposals (Quality of Life)

Mrs. Roe: To ask the Secretary of State for Social Security what methods of measurements and from what base lines his Department employs in assessing the quality of life implications of policy proposals; and how these were selected. [55769]

Mr. Denham: This Department uses a range of measures to assess policy proposals and their implications for both customers and staff. The methods of measurement and base lines are selected as appropriate in the context, and in accordance with relevant guidance from HM Treasury and other Government Departments. Most social research projects commissioned by the Department are concerned, directly or indirectly, with collecting data on quality of life. Examples include routine monitoring through customer satisfaction surveys and the Family Resources Survey, as well as specific evaluations of national programmes and pilot studies to test new initiatives.

Benefit Appeals

Mr. Webb: To ask the Secretary of State for Social Security how many appeals relating to *(a)* incapacity benefits, *(b)* income support and *(c)* severe disablement allowance determined by social security appeal tribunals concerned the all work test for incapacity for (i) 1995–96, (ii) 1996–97 and (iii) 1997–98; what proportion of the appeals in each benefit category for these years related to the all work test; what proportion of all work test appeals in each benefit category for these years were determined without a oral hearing; and in how many all work test appeals for these years the claimant was at least partially successful, in (1) appeals determined after an oral hearing and (2) appeals determined without such a hearing. [55746]

Angela Eagle: The information is not available in the format requested. Such information as is available is in the tables.

Appeals heard and decided in 1995 (last six months only)

	All appeals			Decided in appellants' favour		
	Total	Oral	Proportion without oral	Total	Oral	Paper
Incapacity Benefit(IB)(All Work Test (AWT))	3,038	n/a	n/a	1,471	n/a	n/a
IB AWT proportion of All IB	89.5%	—	—	—	—	—
AWT (not IB)[1]	578	n/a	n/a	219	n/a	n/a
AWT (not IB)[1] proportion of All Income Support/Severe Disablement Allowance	1.3%	—	—	—	—	—

Appeals heard and decided in 1996

	All appeals			Decided in appellants' favour		
	Total	Oral	Proportion without oral	Total	Oral	Paper
Incapacity Benefit (IB) (All Work Test (AWT))	38,473	n/a	n/a	18,026	n/a	n/a
IB AWT proportion of All IB	92.5%	—	—	—	—	—
AWT (not IB)[1]	9,574	n/a	n/a	3,509	n/a	n/a
AWT (not IB)[1] proportion of All Income Support/Severe Disablement Allowance	20.6%	—	—	—	—	—

Appeals heard and decided in 1997

	All appeals			Decided in appellants' favour		
	Total	oral	Proportion without oral	Total	Oral	Paper
Incapacity Benefit (IB) (All Work Test (AWT))	46,441	n/a	n/a	20,301	n/a	n/a
IB AWT proportion of All IB	91.8%	—	—	—	—	—
AWT (not IB)[1]	13,493	n/a	n/a	4,736	n/a	n/a
AWT (not IB)[1] proportion of All Income Support/ Severe Disablement Allowance	35.3%	—	—	—	—	—

Appeals heard and decided in 1998 (first six months only)

	All appeals			Decided in appellants' favour		
	Total	Oral	Proportion without oral	Total	Oral	Paper
Incapacity Benefit (IB) All Work Test (AWT))	31,394	24,478	22.0%	12,749	11,913	836
IB AWT proportion of All IB	90.1%	—	—	—	—	—
AWT (not IB)[1]	10,613	7,226	31.9%	3,175	2,853	322
AWT (not IB)[1] proportion of All Income Support/Severe Disablement Allowance	33.7%	—	—	—	—	—

Note:
1. The All Work Test (not Incapacity Benefit) figures are comprised solely of Severe Disablement Allowance and Incomes Support All Work Test cases
Source:
DSS Analytical Services Division

Correspondence

Mr. Steen: To ask the Secretary of State for Social Security when he plans to reply to the letter of 5 October 1998 from the hon. Member for Totnes concerning Mrs. Sally Williams of 3 Icy Park, Aveton Gifford, Kingsbridge, Devon. [55873]

Angela Eagle: A substantive reply was sent to the hon. Member for Totnes on 30 October 1998.

Income Support

Mr. Prior: To ask the Secretary of State for Social Security if he will make a statement on Regulation 53(1) of the Income Support (General) Regulations 1987; and what plans he has to revise this calculation. [56288]

Angela Eagle: The notional (tariff) income from capital in Regulation 53(1) of the Income Support (General) Regulations 1987 reflects an expectation that people with more substantial savings can make some contribution towards their living expenses from those savings. The tariff is currently applied if a person has over £3,000 in capital, unless they are in a residential care or nursing home, or in certain types of residential accommodation, in which case it is applied only on savings over £10,000. For each £250 of capital above £3,000, but below the upper limit of £16,000, £1 per week is taken into account as income. This formula, which does not represent any assumed rate of interest, avoids the many practical difficulties that would arise if actual income were taken into account. We have no plans to revise this calculation. However, we continue to review the benefit rules as part of our commitment to modernise the Social Security system.

Disability Living Allowance

Mrs. Gillan: To ask the Secretary of State for Social Security how many claimants have been *(a)* denied and *(b)* disallowed disability living allowance in the first six months of 1998; and how many of these were awarded the benefit at appeal. [57043]

Mr. Timms: The information is not available in the format requested. Such information as is available is set out in the table.

Disability living allowance disallowances, terminations, and initial awards on review or appeal: January-June 1998

	Number
Initial claims disallowed [1]	108,944
Existing awards terminated [1,2]	84,636
Initial awards following review of disallowance [1,4,6]	15,400
Initial awards following appeal against disallowance [1,5,6]	6,740

[1] *Source:* Analytical Services Division, 100 per cent. data
[2] The figures include terminations for:
(a) death of claimant
(b) residence or presence conditions not satisfied
(c) claimant withdraws from benefit
(d) Benefits Agency withdraws benefit
[3] *Source:* Analytical Services Division, 5 per cent. data
[4] Awards following review by Benefits Agency. Figures will include claims disallowed before 1998
[5] Awards following appeal to the Independent Tribunal Service
[6] Figures relate to the six months ending 31 May 1998

Mr. Levitt: To ask the Secretary of State for Social Security how many claimants in Derbyshire in 1998, by local authority district, are in receipt of *(a)* disability living allowance with the various care and/or mobility components, *(b)* attendance allowance, *(c)* incapacity benefit, *(d)* contributory jobseeker's allowance, *(e)* income-related jobseeker's allowance and *(f)* income support by premium; and how many dependent children there are in households in receipt of income support, using 100 per cent. administrative counts in each case where available. [57289]

Mr. Timms: The information is not available in the format requested. Such information as is available is shown in the tables.

Number of income-support claimants and their dependants in Derbyshire as at February 1998

	Amber Valley	Bolsover	Chesterfield	Derby	Derbyshire Dale	Erewash	High Peak	North East Derbyshire	South Derbyshire	Total
All IS Claimants	5,900	5,100	7,800	17,700	2,700	6,300	400	5,700	3,700	59,000
Higher Pensioner Premium										
Claimant/Partner 80 or over	1,400	800	1,600	2,800	800	1,300	1,000	1,300	900	11,900
Claimant/Partner 60–79	700	600	900	1,900	400	800	500	800	*300	6,900
Enhanced Pensioner Premium	*300	*100	*200	500	*200	*300	*200	*300	*200	2,400
Pensioner Premium	500	*200	600	1,900	*300	*400	*200	800	*200	5,200
Severe Disability-Premium Higher	*100	—	*100	—	—	—	—	—	—	*300
Severe Disability-Premium Lower	900	600	1,200	2,000	400	900	500	700	*400	7,500
Disability Premium	1,200	1,500	2,000	4,200	500	1,300	800	1,100	800	13,400
Disabled Child Premium	*100	*100	*200	*200	*100	*100	—	*100	*100	900
Family Premium (Lone Parent)[1]	1,000	1,200	1,900	4,600	*300	1,600	900	900	800	13,200
Family Premium[1]	500	600	500	1,300	*200	600	*300	*400	*300	4,700
Carer Premium	*300	*300	500	800	*200	*400	*200	*200	*200	3,000
No Premium	600	500	*400	1,400	*200	*400	*200	500	*400	4,500
Claimant with 1 or more Premium	5,400	4,700	7,400	16,300	2,500	5,900	3,700	5,300	3,300	54,500
Number of Dependants[2]	2,600	3,200	4,400	12,100	1,100	4,000	2,000	2,500	2,100	34,000

[1] As from April 1997 the Lone Parent Premium was replaced by a higher Family Premium for Lone Parents. Lone Parents may be in receipt of a higher rate premium such as pensioner premium or a disability premium

[2] The number of claimants may not equate to the number of households as more than one claimant may reside in the same household

Notes:

1. Figures have been rounded to the nearest 100 therefore totals may not sum
2. "—" denotes nil or negligible
3. "*" denotes figures which are subject to a high degree of sampling error and should be used only as a guide to the current situation

Source:

Figures have been provided by Analytical Statistics Division

Number of claimants in Derbyshire by local authority in receipt of benefits

	Amber Valley	Bolsover	Chesterfield	Derby	Derbyshire Dales	Erewash	High Peak	North East Derbyshire	South Derbyshire	Total
Disability Living Allowance	4,185	4,601	4,934	8,850	1,680	3,698	2,529	4,051	2,601	37,129
Attendance Allowance	3,150	2,470	2,863	5,666	1,686	2,527	1,753	2,451	1,567	24,223
Incapacity Benefit	1,510	1,857	1,859	2,878	567	1,300	945	1,398	831	13,145
Contributory Based Jobseeker's Allowance	—	—	—	—	—	—	—	—	—	3,000
Income Based Jobseeker's Allowance	1,400	1,600	2,800	6,000	700	1,500	1,000	1,800	900	17,600

Notes:

1. The number of Disability Living Allowance and Attendance Allowance claimants is at 31 May 1998 and is from 100 per cent. data
2. The number of Incapacity Benefit claimants is at 31 May 1998 and is taken from a 5 per cent. sample of the benefit computer system, and excludes a small number of clerical cases
3. As at February 1998, there were 3,000 contribution based Jobseeker's Allowance claimants in Derbyshire. A further breakdown by Local Authority is not statistically viable
4. The estimated number of Jobseeker's Allowance claimants has been rounded to the nearest 100 and is based on a 5 per cent. sample

Source:

Figures have been provided by Analytical Statistics Division

Mrs. May: To ask the Secretary of State for Social Security how many people in receipt of disability living allowance pay tax at the *(a)* basic and *(b)* higher rate. [57704]

Mr. Timms: Our latest estimate is that there are around 120,000 current recipients of Disability Living Allowance paying tax at the 20 per cent. rate, 110,000 recipients paying tax at the 23 per cent. or basic rate, and 10,000 recipients paying tax at the 40 per cent. or higher rate. These estimates are based on survey information and are subject to margins of error. The tax rates refer to the highest marginal rates of income tax the recipient is liable to pay.

Child Benefit

Mr. Burstow: To ask the Secretary of State for Social Security what assessment he has made of the impact of non-payment of child benefit to children in residential or foster care. [57636]

Angela Eagle: None.

Child Benefit is paid to a person responsible for a child as a contribution from the State towards the cost of bringing up that child. When a child's accommodation and maintenance is provided by a local authority, to avoid double provision Child Benefit and any linked entitlement to a child dependency addition cease after the first eight weeks. If the child returns home for at least a week, or for two nights a week or more on a regular basis, entitlement is regained.

Jobseeker's Allowance

Mr. Maclean: To ask the Secretary of State for Social Security what was the cost to his Department of welfare payments paid to *(a)* a single person and *(b)* a married man with two dependants who has been made redundant in the last years for which figures are available. [57507]

Angela Eagle: The information is not available in the format requested. Such information as is available is in the table.

Estimated expenditure Jobseeker's Allowance, 1997–98

£ million

Benefit	*Total expenditure*	*Single*	*Couple with 2 dependants*
Jobseeker's Allowance (income-based)	3,377	2,213	280
Jobseeker's Allowance (contribution based only)	520	319	105
Housing Benefit with Jobseeker's Allowance	11,442	855	123
Council Tax Benefit with Jobseeker's Allowance	2,500	117	32

Notes:

1. Expenditure estimates for the individual group are a combination of sample benefit data and DSS expenditure estimates for 1997–98. Estimates of expenditure of Housing Benefit/Council Tax Benefit for those who are not claiming Jobseeker's Allowance (JSA) are not included.
2. We are unable to provide figures on married men with dependants for JSA (C) as dependants' details are not always collected. As such, the figure provided represents all men with partners.
3. It is not possible to identify the sex of a claimant on Housing Benefit/Council Tax and therefore figures provided represent recipients who have a partner and two dependants.
4. We are unable to identify claimants that have been made redundant as this information is not recorded on the source system.
5. Figures are rounded to the nearest million pounds.
6. There is an overlap in the figures provided as most claimants receive both Housing Benefit and Council Tax Benefit.
7. Council Tax/Housing Benefit figures exclude JSA claimants receiving nil benefit.

Source:

JSA Quarterly Statistical Enquiry, May 1997, August 1997, November 1997 and February 1998—5 per cent. sample.
Housing Benefit Management Information System, May 1997—annual 1 per cent. sample.

Parliamentary Questions

Mr. Maples: To ask the Secretary of State for Social Security when he plans to provide a substantive reply to the question from the hon. Member for Stratford-on-Avon tabled on 7 October. [57991]

Mr. Timms: Shortly.

Disabled People

Mrs. May: To ask the Secretary of State for Social Security how many disabled people will be assisted into work under the pilot projects accepted under the first round of bids under the New Deal for Disabled People. [57707]

Mr. Timms: The New Deal for Disabled People involves two strands of pilots. The Innovative Scheme strand aims to test ways to help people with a disability or long-term illness, and carers, to move into or remain in work. Through different schemes which deal with a range of disabilities and medical conditions we will learn what works effectively and what is less effective. The ten schemes being funded under the first bidding exercise aim to help around 875 people to move into or remain in work. Further contracts will be announced next year.

We will also be piloting a Personal Adviser Service in 12 areas. The first six, run by the Employment Service, began in September. The remainder are being put out to open tender and we expect they will start operating early next year. As participation in this New Deal is voluntary, the Government do not have an estimate for the numbers of people who will be assisted through the Personal Adviser Service. However, in the pilot areas, the Personal Adviser Service will be available to nearly a quarter of a million people on incapacity benefits. There will be independent evaluation of the pilots and we expect the results to be available by the end of 1999.

CABINET OFFICE

Ministerial Staff

Sir Richard Body: To ask the Chancellor of the Duchy of Lancaster how many ministerial staff in Ministers' offices have been replaced through advance termination of contract since 1 May 1997. [55339]

Mr. Kilfoyle: To the best of my knowledge, there is one case and that is the one referred to in the answers given by my right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs on 29 January 1998, *Official Report*, columns 386–89.

Cash Limits

Mr. John Smith: To ask the Minister for the Cabinet Office what proposals he has to change the 1998–99 cash limit or running costs limit for the Cabinet Office: Administration and Cabinet Office: Other Services Votes. [58090]

Dr. Jack Cunningham: Subject to parliamentary approval of the necessary Supplementary Estimates:

The cash limit for Cabinet Office: administration (Class XVII, Vote 1) will be increased by £34,937,000 from £119,119,000 to £154,056,000 and the running costs limit will be increased by £7,840,000 from £55,063,000 to £62,903,000.

The cash limit for Cabinet Office: other services (Class XVIII, Vote 1) will be increased by £6,825,000 from £42,531,000 to £49,356,000 and the running costs limit will be increased by £5,945,000 from £42,694,000 to £48,639,000.

This is to take account of the following:

End Year Flexibility

As announced by the Chief Secretary to the Treasury on 14 July 1998, *Official Report*, columns *131–36*, the Cabinet Office: administration Vote is eligible for a cash limit increase of £24,965,000 and a running costs increase of £13,909,000 in respect of end year flexibility arrangements for capital and running costs. The Cabinet Office: other services Vote is eligible for a cash limit and running costs increase of £1,232,000 under the same scheme, including and amount of £75,000 transferred from the Privy Council Office (Class XVIII, Vote 3) for the Central Drugs Co-ordination Unit.

This Supplementary gives effect to the increases. The cash limit and running costs limit of the Cabinet Office: administration Vote will be increased by £19,600,000 and £8,544,000 respectively. The cash limit and running costs limit of the Cabinet Office: other services Vote will be increased by £1,232,000. The remaining entitlement of £5,365,000 will be surrendered to the Treasury, to partly offset increased provision for the programme to modernise government.

Modernisation of Government

The Cabinet Office has received increased provision of £21,097,000 for the programme to modernise government, which was announced by the Prime Minister in a Written Statement on 28 July 1998, *Official Report*, columns *132–34*. This includes £16,300,000 to the Cabinet Office: administration Vote for combating the millennium bug, a new Centre for Management and Policy Studies, and a relocation project; and

£4,797,000 to the Cabinet Office: other services Vote for strengthening the Prime Minister's Office, work on social exclusion, strategic communications and constitutional reform, and a new Performance and Innovation Unit.

Machinery of Government and Other Changes

The Cabinet Office: other services Vote has taken over responsibility for the Central Drugs Co-ordination Unit from the Privy Council Office (Class XVIII, Vote 3) (increased provision of £553,000, offset by a transfer payment from the Privy Council Office).

Responsibility for the Freedom of Information Unit has been transferred from the Cabinet Office: administration Vote to the Home Office (Class VII, Vote 1) (a transfer payment of £439,000 to the Home Office, offset by reduced provision).

The ownership of certain buildings has been transferred from Cabinet Office: administration Vote to the Department of Health (Class XII, Vote 2) (£20,000) and DETR (Class VI, Vote 3) (£147,000).

Responsibility for the Office of the Minister Without Portfolio has been transferred from the Cabinet Office: other services Vote to the Cabinet Office: administration Vote (a transfer payment of £368,000, offset by increases and reductions to provision).

The Cabinet Office: other services Vote has received a transfer of £796,000 from the Cabinet Office: administration Vote for jointly administered common services.

The increases will be offset by transfers or charged to the Reserve, and will not therefore add to the planned total of public expenditure.

PRIME MINISTER

Animal Welfare

Mr. Baker: To ask the Prime Minister, pursuant to his answers of 2 February 1998, *Official Report*, column *476*, and 22 June 1998, *Official Report*, column *351*, for what reason no announcement has yet been made in respect of the co-ordination within Government of animal welfare policies; when he expects to make such an announcement; and if he will make a statement. [56358]

The Prime Minister: An announcement will be made shortly.

Government Residential Property

Dr. Lynne Jones: To ask the Prime Minister if he will list the Government Ministers currently residing in publicly owned accommodation; and if he will make a statement on the precedents for the use of each property by Government Ministers, the reasons why the properties are so used and total annual cost in each case of the current and previous years of such use. [56376]

The Prime Minister: For the terms on which official Government residences are occupied, and the precedent for the use of each property, I refer my hon. Friend to the answer I gave her on 9 March 1998, *Official Report*, columns *19–20*. For a list of Ministers currently residing in publicly owned accommodation, I refer her to the answer I gave to the right hon. Member for Bromley and Chislehurst (Mr. Forth) on 23 April 1998, *Official Report*, columns *674–75*. The list is unchanged except that my right hon. Friend the former President of the Board of Trade now occupies the same official residence in her role as the President of the Council. For details of the costs of maintaining such properties, I refer my hon Friend to the answer I gave to my hon. Friend the Member for Rotherham (Mr. MacShane) on 9 February 1998, *Official Report*, column *17*. The cost of maintaining these properties in 1998–99 is estimated to be £1.2m.

Ministerial Candidates (Security Vetting)

Mr. Cohen: To ask the Prime Minister what assessment he has made of the value of reports from the security services on the potential security risks of candidates for ministerial positions; what opportunities are provided to persons so reported on to respond to those reports; and if he will make a statement. [57472]

The Prime Minister: It has long been the practice for the Security Service to draw to the attention of the Prime Minister when forming a Government any significant national security information in its possession which relates to members of the Government party. This arrangement has been endorsed by successive Prime Ministers and I am satisfied that it remains both necessary and proper.

The recently published annual report of the Intelligence and Security Committee, established under the Intelligence Services Act 1994 to examine the expenditure, administration and policy of the United Kingdom's Intelligence Services, did not criticise or question the probity of this process, but emphasised the heavy responsibility on the Director General of the Security Service to ensure that the information put forward is accurate and related solely to national security. In their response to the report, the Government made it clear that they were satisfied that the Director General took this responsibility seriously and that the arrangements continued to be proper and appropriate.

It is of course the case that decisions on the formation of a Government remain a matter for the Prime Minister alone.

Senator Pinochet

Mr. Bercow: To ask the Prime Minister if *(a)* Ministers and *(b)* civil servants were consulted over the decision to arrest General Pinochet. [56782]

The Prime Minister *[holding answer 28 October 1998]:* Under section 8(1)(b) of the Extradition Act 1989, the decision whether to issue a provisional warrant in response to a request from an extradition partner is one for the Bow Street Magistrate. This was a strictly judicial matter and therefore properly not a decision subject to consultation with Ministers. The only consultation which did take place was between the Metropolitan Police and the Foreign and Commonwealth Office on the technical question of whether Senator Pinochet was entitled to diplomatic immunity.

Mr. Wilshire: To ask the Prime Minister when *(a)* he and *(b)* his officials were first informed that Senator Pinochet had entered the United Kingdom on his current visit. [57432]

The Prime Minister: On 16 October.

Mr. Wilshire: To ask the Prime Minister if he will list those ministers with whom he has discussed the arrest of Senator Pinochet and the dates on which the discussions took place. [57429]

The Prime Minister: It is the normal convention under this and previous Governments that discussions which take place between the Prime Minister and Ministers are not routinely disclosed. On this occasion, however, it has been made public that I made clear to the Cabinet on 22 October that there should be no discussion at Cabinet, given that my right hon. Friend the Home Secretary might in due course have to address the issue in a quasi-judicial role.

Mr. Wilshire: To ask the Prime Minister when he was first informed that an international warrant for the arrest of Senator Pinochet had been issued; and who informed him. [57428]

The Prime Minister: As has been made clear publicly, I was first informed by my office on 16 October.

Sudan

Mr. Dalyell: To ask the Prime Minister, pursuant to his answers 19 October 1998, *Official Report*, column *915*, on Sudan, if he will discuss with the American Administration provision of *(a)* anti-TB drugs and *(b)* chloroquinine and other anti-malarial drugs to the Sudan, in quantities which would have been produced by the El Shifa Factory, prior to its destruction. [57979]

The Prime Minister: The United Kingdom and the United States are substantial donors of humanitarian assistance to Sudan, which includes support for health care activities targeted at the poorest and most vulnerable groups. We are not aware that the provision of essential drugs for these groups has been affected by the destruction of the El Shifa factory.

President Menem

Mr. Gerald Howarth: To ask the Prime Minister if he will place in the Library a copy of President Menem's original article for *The Sun* newspaper submitted to 10 Downing Street for comment by the Prime Minister's Office. [57974]

The Prime Minister: No. The article by President Menem in *The Sun* on 23 October expressed the views and sentiments of the President of Argentina. As has been made public, the Argentine Government sought advice on the style of their presentation, as I routinely ask of other Governments when I write articles for foreign newspapers.

Northern Ireland Human Rights Commission

Mr. McNamara: To ask the Prime Minister if he will place in the Library copies of his correspondence with the United Nations High Commission for Human Rights on the subject of the proposed Northern Ireland Human Rights Commission. [57767]

The Prime Minister: The UN High Commissioner of Human Rights wrote to me on 18 June and I replied on 9 July. Copies of these letters have been placed in the Library. Officials from the Northern Ireland Office also met officials from the UN High Commission on Human Rights as part of the consultations with interested organisations on the human rights provisions of the Northern Ireland Bill.

Cash Limits

Mr. Sheerman: To ask the Prime Minister what proposals he has to change the Cabinet Office: Security and Intelligence Services cash limits for 1998–99. [58084]

The Prime Minister: Subject to Parliamentary approval of the necessary token Supplementary Estimate, the cash limit for Class XVIII, Vote 2 will be decreased by £237,000 from £708,143,000 to £707,906,000 and the gross running costs limit increased by £148,000 from £375,845,000 to £375,993,000.

This change is to take on board transfers; £193,000 to the Home Office Class VII, Vote 1; £45,000 to the Foreign Office Class II, Vote 1. £148,000 proposed gross running costs increase is to correct an error in the capital charge adjustment.

There will be an increase in Appropriation in Aid of £12,249,000 resulting from changes in accounting procedures and a net increase in other current expenditure payments of £11,279,000.

The increases will be offset by transfers, and will not, therefore, add to the planned total of public expenditure.

EDUCATION AND EMPLOYMENT

Access to Work

Mr. Burstow: To ask the Secretary of State for Education and Employment if he will extend the eligibility criteria for access to work to include *(a)* councillors and *(b)* other elected officials. [57635]

Mr. Andrew Smith: Responsibility for the subject of the question has been delegated to the Employment Service agency under its Chief Executive. I have asked him to arrange for a reply to be given.

Letter from Richard Foster to Mr. Paul Burstow, dated 29 October 1998:

The Secretary of State has asked me to reply to your question asking him to extend the eligibility criterion for Access to Work to include Councillors and other elected officials. This is something which falls within the responsibilities delegated to Leigh Lewis as Chief Executive of the Employment Service. I am replying in Mr. Lewis' absence.

Access to Work provides help for disabled people who are in, or, who about to enter, paid employment. It is designed to encourage employers to take on or retain disabled people by meeting some or all of the extra costs resulting from disability. The aim is to help disabled people in activities from which they earn their living.

The activities of Councillors and other elected officials are not generally regarded as main paid employment. To extend Access to Work to these groups would lead to pressure for help from many other groups who are not in paid employment, but who regard their activities as being of equivalent status. The Access to Work budget is limited and extending coverage in this way would result in less help being available for people entering or in paid employment.

I hope this is helpful.

Correspondence

Sir Brian Mawhinney: To ask the Secretary of State for Education and Employment when the right hon. Member for North-West Cambridgeshire can expect a reply to his letter of 25 September on behalf of his constituents, the governors of Brewster Avenue School. [57529]

Mr. Mudie: A letter was dispatched to the right hon. Member on 28 October.

Broomfield Primary School

Mr. Burns: To ask the Secretary of State for Education and Employment if he will make a statement on when he expects to reach a decision on the appeal lodged by Broomfield Primary School, Broomfield, Chelmsford, concerning Essex LEA's direction on admissions to the school. [57769]

Mr. Charles Clarke: Broomfield School has referred to the Secretary of State notices issued by Essex local education authority under section 431 of the Education Act 1996 directing the school to admit five children. My right hon. Friend the Secretary of State has made a decision on two of the five referrals. The other three referrals relate to children not due to start school until either January or April 1999. My right hon. Friend will be making a determination on those referrals when further consultation with Essex local education authority and local schools has been completed.

Parliamentary Questions

Mr. Maples: To ask the Secretary of State for Education and Employment when he plans to provide a substantive reply to the question from the hon. Member for Stratford-on-Avon tabled on 7 October. [57992]

Mr. Mudie: Shortly.

Ministerial Group on Disabled People

Mr. Oaten: To ask the Secretary of State for Education and Employment how many times the ministerial group on disabled people has met since May 1997. [57639]

Ms Hodge: The Ministerial Group on non-benefits issues affecting disabled people has met on three occasions. Its first meeting was in February 1998.

Assisted Places Scheme

Mr. Maclean: To ask the Secretary of State for Education and Employment how much funding he currently estimates will be released through the abolition of the assisted places scheme in each year for which forecasts have been made. [57662]

Ms Estelle Morris: Our latest estimate of savings against the previous Government's published expenditure plans is £22 million in the current financial year 1998–99, and £63 million in 1999–2000, with £82 million in 2000–01 and £101 million in 2001–02 assuming that the original baseline figure of £180 million for 1999–2000 is rolled forward. The estimates have been refined to take account of outturn figures for the last academic year 1997–98, and assume falling numbers of assisted place holders over the years in question while continuing the present arrangements for means-testing and fee-setting.

Working Time Regulations

Mrs. May: To ask the Secretary of State for Education and Employment what advice has been issued by his Department to *(a)* local education authorities and *(b)* schools on the implications of the working time regulations for the employment of (i) teaching and (ii) non-teaching staff. [57705]

Ms Estelle Morris: The Department has not issued advice, but the Department of Trade and Industry issued guidance to employers generally in August, and has conducted a public awareness campaign on the implications of the regulations.

Class Sizes

Mr. Maclean: To ask the Secretary of State for Education and Employment what progress has been made towards meeting the Government's targets on class sizes. [57509]

Ms Estelle Morris: I refer the hon. Member to the reply I gave to my hon. Friend the Member for Coventry, South (Mr. Cunningham), on 29 October 1998, *Official Report*, column *231*.

Mr. Maclean: To ask the Secretary of State for Education and Employment if he will provide a breakdown of the allocation of extra money to reduce class sizes. [57511]

Ms Estelle Morris: The following table details the allocations so far made to both Local Education Authorities and Grant Maintained Schools, to deliver our pledge to cut infant class sizes. The respective sums of £22 million in revenue funding and over £45 million in capital funding will provide some 1,500 additional teachers and 600 extra classrooms to enable authorities and schools to make an early start in delivering the class sizes pledge.

	Allocations to reduce infant class sizes	
LEA	*Revenue*	*Capital*
Barking and Dagenham	—	141,850
Barnet	146,000	191,500
Bath and North East Somerset	—	140,476
Bedfordshire	—	743,707
Bexley	225,000	423,000
Blackburn	107,000	268,075
Blackpool	73,000	414,500
Bolton	—	279,859
Bracknell	—	174,000
Bradford	625,000	202,100
Brighton and Hove	88,000	110,000
Bristol, City of	—	203,000
Bromley	200,000	520,000
Buckinghamshire	146,000	160,000
Bury	584,000	1,145,078
Calderdale	162,000	99,875
Cambridgeshire	—	542,660
Cheshire	—	800,775
Cornwall	—	320,000
Coventry	452,000	40,000
Croydon	100,000	369,140
Cumbria	146,000	113,188
Darlington	—	169,580
Derby, City of	1,000,000	878,124
Derbyshire	1,160,000	1,596,938
Devon	1,000,000	575,945
Dorset	324,000	254,000
Dudley	—	373,500
Durham	250,000	167,160
Ealing	291,000	110,500
East Riding of Yorkshire	250,000	85,000
East Sussex	116,000	547,000

LEA	Allocations to reduce infant class sizes: Revenue	Capital
Enfield	—	380,000
Essex	—	542,877
Gateshead	100,000	200,542
Gloucestershire	—	238,298
Greenwich	—	80,000
Halton	—	296,800
Hampshire	—	1,025,000
Haringey	146,000	—
Hartlepool	100,000	68,600
Havering	—	76,840
Herefordshire	146,000	65,438
Hertfordshire	510,000	399,400
Hillingdon	291,000	864,198
Isle of Wight	135,000	170,000
Kent	—	850,000
Kirklees	500,000	539,600
Knowsley	—	80,480
Lambeth	—	577,500
Lancashire	1,000,000	1,284,801
Leeds	500,000	320,000
Leicester City	584,000	157,700
Leicestershire	291,000	566,190
Lincolnshire	102,000	317,573
Liverpool	—	84,675
Luton	—	58,500
Manchester	—	817,000
Medway	—	187,620
Middlesbrough	146,000	93,988
Newcastle upon Tyne	500,000	367,381
Newham	257,000	278,141
Norfolk	291,000	470,400
North East Lincolnshire	—	518,483
North Lincolnshire	675,000	410,000
North Somerset	—	211,770
North Tyneside	—	351,888
North Yorkshire	—	459,000
Northamptonshire	—	234,371
Northumberland	324,000	224,000
Nottingham, City of	146,000	451,900
Nottinghamshire	—	405,000
Oldham	—	1,111,500
Oxfordshire	584,000	842,485
Peterborough	150,000	—
Plymouth	500,000	—
Poole	—	245,575
Reading	—	92,375
Redbridge	—	320,000
Redcar & Cleveland	—	252,757
Richmond Upon Thames	—	762,000
Rochdale	—	320,000
Rotherham	219,000	85,000
Salford	146,000	139,000
Sandwell	1,000,000	1,158,500
Sefton	59,000	359,048
Sheffield	525,000	—
Shropshire	—	591,000
Slough	88,000	—
Solihull	584,000	942,350
Somerset	—	378,325
South Gloucestershire	500,000	873,414
South Tyneside	100,000	—
Southend on Sea	—	189,800
St. Helens	—	343,875
Staffordshire	—	350,000
Stockport	204,000	189,943
Stockton on Tees	—	384,165
Stoke on Trent	—	150,582
Sunderland	—	55,000
Surrey	—	419,081
Sutton	168,000	453,201
Swindon	—	526,973
Tameside	291,000	—
Telford and Wrekin	291,000	328,700
Thurrock	—	80,000
Torbay	—	197,745
Trafford	—	487,333
Wakefield	60,000	764,945
Walsall	146,000	397,455
Wandsworth	146,000	—
Warrington	59,000	332,122
Warwickshire	584,000	168,500
West Sussex	—	825,500
Wigan	290,000	726,300
Wiltshire	291,000	521,674
Windsor & Maidenhead	—	98,800
Wirral	—	202,269
Wokingham	—	414,000
Wolverhampton	—	356,502
York, City of	146,000	116,215
GM Schools	680,000	1,113,038

Cash Limits

Mr. Etherington: To ask the Secretary of State for Education and Employment what changes he plans to announce to cash limits and running cost limits within his responsibility for 1998–99. [58113]

Mr. Mudie: Subject to Parliamentary approval of the necessary Supplementary Estimate, the cash limit for Class IX, Vote 1 (Department for Education and Employment: programmes and central services), Vote 3 (Employment Service), and Vote 4 (Office of Her Majesty's Chief Inspector of Schools in England), will be amended as follows:

£

Class	Vote	Existing cash limit	Change	New cash limit
IX	1	10,356,420,000	25,182,000	10,381,602,000
IX	3	1,739,859,000	9,999,000	1,749,858,000
IX	4	131,641,000	−13,000,000	118,641,000

The cash limit for Class IX, Vote 1 (Department for Education and Employment: programmes and central services) will be increased by £25,182,000 from £10,356,420,000 to £10,381,602,000. This is the net effect of virements of £3,900,000 and £695,000 from non-cash limited sections of the Vote to sections A and B, £10,000,000 additional cover for capital loans in grant-maintained schools following the ESA95 classification changes, a transfer of £13,000,000 from OFSTED (Class IX, Vote 4) in connection with the Books for Schools Initiative, and a transfer of £13,000 from the Department of Health (Class XI, Vote 2) for the early years policy; offset by transfers of £1,350,000 to the Department of Culture, Media and Sports (Class X, Vote 1) for Dance and Drama under the interim funding scheme, of £201,000 to the Welsh Office (Class XIV, Vote 2) for the University for Industry, of £250,000 to the Department of the Environment, Transport and the Regions in respect of capital costs of Government Offices, and of £180,000 and £445,000 to the Scottish Office (Class XIII, Vote 3) in connection with educational qualifications and University for Industry respectively. We have also taken this opportunity to take up

£264,657,000 (offset by the matching receipts from the EC) of the European Structural Funds end year flexibility announced by the Chief Secretary to the Treasury on 14 July 1998, *Official Report*, columns *131–36*.

The cash limit for Class IX, Vote 3 (Employment Service) will be increased by £9,999,000 from £1,739,859,000 to £1,749,858,000. This increase results from the take up of £10,000,000 running costs end year flexibility, offset by an increase in appropriations in aid due to New Deal recoveries. The running costs limit on Vote 3 (within of the control total) has been increased by £19,500,000 from £758,173,000 to £777,673,000 as a result of the end-year flexibility take up and a virement of £9,500,000 from capital to pay for IT services now supplied by an external provider.

The non-Voted cash limit DfEE/LACAP has also been increased by £958,000 from £43,982,000 to £44,940,000 as a result of the take up of end-year flexibility as announced by the Chief Secretary to the Treasury on the 14 July 1998, *Official Report*, columns *131–36*.

Increases will be offset by transfers and charges to the reserves and will not therefore add to the planned total of public expenditure.

FOREIGN AND COMMONWEALTH AFFAIRS

Colombia

Dr. Tonge: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to British Petroleum concerning the Company's internal investigation into arms sales and military activity in Colombia. [56259]

Mr. Tony Lloyd: I met senior BP personnel earlier this week. One of the matters discussed was the situation in Colombia. I reaffirmed our view that we expect all British companies to operate ethically and transparently. I also made it clear that we expect them to take responsibility for the actions of their subcontractors.

Visa Applications

Mr. Gerrard: To ask the Secretary of State for Foreign and Commonwealth Affairs what information he collects regarding the numbers of people who, having been refused visit visas to enter the United Kingdom, have subsequently been granted visas as a result of a review of the decision by an entry clearance manager. [57333]

Mr. Fatchett: Entry Clearance Issuing Posts are asked to keep a record of the number of visit applications which have been refused and subsequently granted as a result of a review by the Entry Clearance Manager. Statistics from our 100 busiest Entry Clearance Posts, which account for 97 per cent. of all applications received worldwide, show that, between January and September 1998, 477 visas were granted as a result of such a review.

EU General Affairs Council

Mr. Caplin: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will report on the outcome of the General Affairs Council in Luxembourg on 26 and 27 October. [57853]

Ms Quin: The information is as follows:

General Affairs Council, 26–27 October

The General Affairs Council in Luxembourg on 26–27 October adopted the A points listed in document 12161/1/98 and noted the resolutions, decisions and opinions adopted by the European Parliament in its session of 5 October—9 October and listed in document 11721/98. Copies of the documents listing the A points and resolutions will be placed in the House Libraries as soon as they become available.

Agenda 2000

The Council considered a Presidency progress report (document 12153/98). Ministers agreed on the importance of meeting the timetable for Agenda 2000 (agreement in March 1999). Ministers also agreed that decisions on whether pre-accession funds released by the accession of new Member States could be reallocated to the remaining applicant countries should be taken by qualified majority. The Council failed to agree the rate at which Community assistance should be given to pre-accession projects, but it approved Commission proposals for 100 per cent. funding of technical support projects, and for up to 2 per cent. of the budget being spent on preliminary Commission studies. There was general agreement on the management of the agricultural and structural pre-accession instruments, and the nature of the Commission's relationship with the EIB.

The Commission presented its Own Resources report (Document 11666/98) on Member States' contributions to the EC Budget. It proposed various solutions to the net contribution imbalance experienced by some Member States, including the option of co-financing the Common Agricultural Policy.

Enlargement

Ministers noted progress in official-level preparation of the EU's negotiating positions, ahead of substantive negotiations with the candidates at ministerial level on 10 November.

EC Fraud

The Commission reported on the fraud allegations surrounding the EC Humanitarian Office.

CFSP High Representative

The Presidency undertook to talk bilaterally to Member States about candidates, ahead of discussion at the 7 December GAC.

EU/South Africa

The Council heard a report from Commissioner Pinheiro on his recent meeting with South African trade minister Erwin. Ministers discussed the outstanding issues in the negotiations on a Trade and Cooperation Agreement and possible ways of reaching a satisfactory outcome by the end of the autumn.

FRY/Kosovo

The Council adopted a declaration on a comprehensive approach to Kosovo. The Council condemned action by the FRY authorities against the independent media as demonstrated by the prosecution of the owner and editor of the news magazine "Evropljanin", and by the adoption of the new law on public information. The Council expressed its support for Montenegro. The EU will consider ways in which it can continue to support Montenegro's economy and its drive toward political and economic reform.

Albania

The Council stated its support for the new Albanian government. It welcomed the International Conference in Tirana on 30 October. It agreed the EU input into the Conference. It welcomed the supplement to the WEU Feasibility Study on possible options for an International Police Operation in Albania.

Middle East Peace Process

Ministers issued a declaration welcoming the Wye Agreement and congratulating Netanyahu and Arafat on their achievement. Tribute was paid to the important contributions of Clinton and

Albright and to the support of King Hussein. In light of the agreement, Ministers discussed ways to integrate EU work in support of the peace process.

Burma

The Council agreed conclusions and a Decision: *(a)* rolling over the EU Common Position for a further six months; *(b)* strengthening it by including transit visas and Burmese officials involved in tourism; *(c)* echoing views of Burmese democratic leaders that tourism to Burma is inappropriate at present; *(d)* providing for a meeting of EC/ASEAN Joint Co-operation Committee with only a passive Burmese presence.

Malta

There was a brief exchange under "Other Business" concerning progress on updating the Commission's 1993 Opinion on Malta.

EU/GCC Joint Council

Ministers reviewed relations between the EU and the GCC, and agreed to increase the momentum of negotiations for an EC/GCC Free Trade Agreement. They discussed regional issues such as Iran, Iraq and the Middle East Peace Process, and human rights.

Association Council with Bulgaria

The Council considered the functioning of the Europe Agreement, and Bulgaria's preparations for EU membership.

Kosovo

Mr. Bayley: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement about the United Kingdom's contribution to the OSCE monitoring force in Kosovo. [55906]

Ms Christine Russell: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on Britain's contribution to the OSCE monitoring force in Kosovo. [55904]

Mr. Tony Lloyd: As my right hon. Friend the Foreign Secretary stated in the House on 19 October 1998, *Official Report*, column 954, we shall provide up to 200 verifiers to the Kosovo Verification Mission run by the OSCE.

Britain is already playing a key role in establishing this Mission. Major-General Drewienkiewicz heads a group of 10 British personnel attached to or working alongside the OSCE in Vienna.

Mr. Howard: To ask the Secretary of State for Foreign and Commonwealth Affairs how many OSCE representatives are currently stationed in Kosovo. [57964]

Mr. Tony Lloyd: There are currently about 25 OSCE representatives in Kosovo. This figure does not include the members of the Kosovo Diplomatic Observer Mission (KDOM) who will be folded into the OSCE mission once it is fully up and running.

Mr. Howard: To ask the Secretary of State for Foreign and Commonwealth Affairs how many British participants there will be in the OSCE contingent in Kosovo; and when he expects them to reach the territory. [57963]

Mr. Tony Lloyd: As my right hon. Friend the Foreign Secretary stated in the House on 19 October 1998, *Official Report*, column 954, we shall provide up to 200 members of the Mission. We expect the first contingent of up to 50 verifiers, who will initially be accredited to the Kosovo Diplomatic Observer Mission (KDOM), to arrive toward the end of the week.

Britain is already playing a key role in establishing this Mission. Major-General Drewienkiewicz heads a group of 10 British personnel attached to or working alongside the OSCE in Vienna. Major-General Drewienkiewicz took part in the OSCE's advance party which visited Kosovo and Belgrade between 18 and 21 October.

Mr. Howard: To ask the Secretary of State for Foreign and Commonwealth Affairs how many British participants in the OSCE contingent are currently stationed in Kosovo. [57965]

Mr. Tony Lloyd: At present there is one British secondee to the OSCE Kosovo Verification Mission stationed in Kosovo. We expect this to increase to 6 on the ground in 3 November. This is in addition to 3 British monitors in the European Community Monitor Mission/Kosovo Diplomatic Observer Mission. There is currently a joint FCO/MOD reconnaissance team in Kosovo looking at the practical issues of deploying a further 50 British verifiers by the end of this week.

Brunei

Mr. Corbyn: To ask the Secretary of State for Foreign and Commonwealth Affairs what human rights issues were raised with the Sultanate of Brunei during his recent visit. [57521]

Mr. Fatchett: During the recent State visit to Brunei, my right hon. Friend the Foreign Secretary met the Bruneian Foreign Minister and raised the issue of progress on modernising the Bruneian Constitution.

Congo

Mr. Corbyn: To ask the Secretary of State for Foreign and Commonwealth Affairs what discussions have been held with the Government of the Democratic Republic of the Congo concerning human rights and democratic Government. [57519]

Mr. Tony Lloyd: I made clear our wish to work with the Government of the Democratic Republic of Congo (DRC) to improve the human rights situation and promote democratisation when I led a European Union Troika mission to Kinshasa in June. We continue to raise our concerns about the human rights situation at every suitable opportunity, bilaterally, with our EU partners and in international fora. In particular, our Ambassador in Kinshasa has raised the targeting of Tutsis and possibly civilians of other ethnic groups. He has also made clear our readiness to help with the rebuilding of the country, including support for the electoral process, and that in doing so we are looking for progress towards respect for human rights, democracy, economic reform and the rule of law.

Kurdish Political Parties

Mr. Corbyn: To ask the Secretary of State for Foreign and Commonwealth Affairs what discussions his Department has held with representatives of the Kurdish political parties in Turkey, Iran and Iraq concerning a negotiated peace; and if he will make a statement. [57518]

Mr. Fatchett: We have held meetings at Ministerial and official level in October with the leaders of the Kurdish Democratic Party and the Patriotic Union of Kurdistan, to discuss the agreement they signed in

Washington on 17 September. We remain strongly committed to supporting Kurdish reconciliation in northern Iraq, and will continue our contacts with these and other Iraqi-Kurdish parties. In Turkey our Embassy maintains regular contact with representatives of the People's Democracy Party (HADEP), as it does with all the major political parties.

Bahrain

Mr. Corbyn: To ask the Secretary of State for Foreign and Commonwealth Affairs what discussions about human rights and democratic Government took place with the Government of Bahrain during the recent ministerial visit. [57520]

Mr. Fatchett: During my visit to Bahrain in September I had a long meeting with the Minister of Foreign Affairs, Shaikh Mohammed bin Mubarak Al-Khalifa. Our discussions covered a broad range of subjects, including human rights issues on which I set out the Government's concerns. I welcome Bahrain's efforts to improve its human rights record by signing the Convention Against Torture and allowing the International Committee of the Red Cross to monitor prison conditions. I urged Bahrain to communicate more with human rights NGOs and journalists.

Gibraltar

Mr. Howard: To ask the Secretary of State for Foreign and Commonwealth Affairs if Her Majesty's Government will make available to the Governor of Gibraltar the necessary resources to protect the integrity of British territorial waters around Gibraltar against the incursions of Spanish fishing boats and armed militia. [57640]

Ms Quin: We have assured the Governor that HMG will provide whatever support is necessary to protect the integrity of British territorial waters around Gibraltar.

Common Foreign and Security Policy

Mr. Howard: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the Government's proposals for reform of the European Union's Common Foreign and Security Policy and the future of the Western European Union. [57962]

Ms Quin: At the Pörtscharch informal European Summit, my right hon. Friend the Prime Minister made clear his wish for the European Union's Common Foreign and Security Policy (CFSP) to be made more effective. He also argued to greater European responsibility for defence, but made it clear that he is open-minded on institutional issues.

Cash Limits

Mr. Khabra: To ask the Secretary of State for Foreign and Commonwealth Affairs what changes he proposes to make in his Department's cash limits and running costs limits for 1998–99. [58098]

Mr. Fatchett: Subject to parliamentary approval of the necessary Supplementary Estimates the following changes will be made.

The cash limit for Class II, Vote 2 (Other External Relations) will be increased by £23,592,000 from £212,068,000 to £235,660,000. The increase is required to cover UK contributions to certain OSCE, United Nations, and WEU Missions of £23,085,000 and also for transfer of £507,000 from the Department for International Development towards the Know How Fund for assistance to Central and Eastern Europe.

The increase will be offset by transfers or charged to the Reserve, and will not, therefore, add to the planned total of public expenditure.

Parliamentary Questions

Mr. Maples: To ask the Secretary of State for Foreign and Commonwealth Affairs when he plans to provide a substantive reply to the question from the hon. Member for Stratford-on-Avon tabled on 7 October. [57996]

Mr. Tony Lloyd: Shortly.

St. Helena

Dr. Marek: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the meetings during the last two years of the Executive Council of St. Helena where the elected members of the Legislative Council were not in a majority. [57544]

Mr. Tony Lloyd: Out of the fifty-six meetings of the Executive Council of St. Helena held during the two years up to 30 October 1998, only that held on 16 June 1998 met when there was not a majority of Elected Members present. There was, however, a quorum on that occasion.

Departmental Properties

Mr. Swinney: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answers to the hon. Member for Moray (Mrs. Ewing), on 26 October 1998, *Official Report*, column *81*, relating to departmental properties, for what reason the annual running costs for each property in each country are not readily available. [57536]

Mr. Fatchett: Details of the annual running costs for each property in the overseas estate are not held centrally. Following the 1996 Fundamental Expenditure Review, geographical FCO Commands and overseas Posts were given the delegated financial authority (except in a few areas) to manage and maintain their portion of the estate. Annual running costs for the overseas estate in 1996–97 totalled £108.7 million of which more than half was for rents and rates. Costings for each property could only be compiled by approaching Posts individually. The UK has 221 Diplomatic Posts world-wide. The overseas estate consists of about 3,900 properties. To provide costs for each individual property would involve disproportionate expenditure of public funds.

Former Soviet Union (Chemical Weapons)

Mr. Sayeed: To ask the Secretary of State for Foreign and Commonwealth Affairs what proposals the Government have to enable the international community to purchase from countries of the former Soviet Union their stocks of nuclear, chemical and biological weapons so that they can be destroyed. [56473]

Mr. George Robertson: I have been asked to reply.

Purchasing nuclear chemical and biological weapons would be prohibited under the Nuclear Non Proliferation Treaty and the Chemical and Biological Weapons Conventions. We do, however, keep under review

possibilities for assisting Russia and the other countries of the former Soviet Union in destroying their stocks of nuclear, chemical and biological weapons and ensuring safe and secure management of associated materials. Assistance provided to date includes contributing to funding the International Science and Technology Centre, to provide employment for scientists previously employed on weapons of mass destruction programmes. We are currently considering whether we could provide effective national assistance to Russia for destruction of chemical weapons, in addition to the 10–15m ecu allocated under the European Union's Technical Assistance to the Commonwealth of Independent States (TACIS) programme. We are also studying possible opportunities for collaboration within the G8 framework to dispose of plutonium surplus to defence needs in Russia.

HEALTH

Autistic Children

Mr. Simon Hughes: To ask the Secretary of State for Health what plans he has to issue guidance on services for autistic children. [57057]

Dr. Kumar: To ask the Secretary of State for Health what steps he is taking to issue specific guidance on services for autistic children; and if he will make a statement. [57051]

Mr. Hutton: We have no plans at present to issue specific guidance on services for autistic children. Guidance on services for children with disabilities, including those with autism, is contained in "The Children Act 1989 Guidance and Regulations Volume 6 Children with Disabilities" published by HMSO in 1991. Local authority social services departments have a general duty, under the Children Act 1989, to safeguard and promote the welfare of all children in their care who are "in need". To reinforce the provision in the Children Act on children in need, the Education Act 1996 puts a statutory duty upon health authorities and local authorities to help education authorities in the assessment and support of children with special needs. We will keep the need for specific guidance on autism under review.

Dr. Kumar: To ask the Secretary of State for Health what steps he is taking to collect information centrally on autistic children; and if he will make a statement. [57047]

Mr. Hutton: We have no plans to collect information centrally about the number of children below the age of five years diagnosed as being autistic. It is for the local statutory authorities to determine the needs of children with autism in their area and work together effectively to ensure that these needs are met.

Dr. Kumar: To ask the Secretary of State for Health what steps he is taking to ensure that every health authority has sufficient funds to develop new services for autistic children; and if he will make a statement. [57049]

Mr. Hutton: Health authorities are given allocations for hospital and community health services to commission health care for their resident population. It is for individual health authorities to decide the level and type of services commissioned, in partnership with local general practitioners and through consultation with other agencies and local people, taking account of local circumstances and national policies and priorities.

Mid Essex Hospitals Trust

Mr. Burns: To ask the Secretary of State for Health, pursuant to his answer of 22 October 1998, *Official Report*, column *1180*, what is the nature of the work being done with the North Thames Task Force and the National Patients Access Team to reduce waiting lists in the Mid Essex Hospitals Trust area; and what is the agreed target for reducing waiting lists by March 1999 in the Mid Essex Hospitals Trust area. [57217]

Mr. Hutton *[holding answer 29 October 1998]:* The North Thames Waiting List Task Force and the National Patients' Access Team have been working with clinicians and managers at the trust to achieve a shared understanding of the particular causes of pressure on the trust's waiting lists and are assisting the trust in implementing good practice from elsewhere to help reduce waiting lists.

The agreed waiting list target reduction for the Mid Essex Hospitals National Health Service Trust is to a list size of 9,738 at the end of March 1999.

Midwives

Mr. Viggers: To ask the Secretary of State for Health how many midwives have *(a)* joined and *(b)* left the National Health Service during each of the last two years. [57596]

Mr. Milburn: Figures on vacancies for nurses and midwives are collected by the Office of Manpower and Economics and published in the annual reports of the Review Body for Nursing Staff, Midwives, Health Visitors and Professions Allied to Medicine, copies of which are available in the Library.

St. Mary's Hospital, Newport

Dr. Brand: To ask the Secretary of State for Health when he plans to make an announcement on the remedial works needed at St. Mary's Hospital, Newport, Isle of Wight. [57908]

Mr. Milburn: We expect to make an announcement shortly.

Social Services

Mr. Burstow: To ask the Secretary of State for Health what assessment the Social Services Inspectorate has made of the use and effectiveness of IT within social services departments in order to monitor the targets set in the Joint Guidance on Priorities for the NHS and Social Services. [57628]

Mr. Hutton: The targets in the National Priorities Guidance "Modernising Health and Social Services" comprise of some which rely on National Health Service data, some of which rely on social services data and others relating to process which do not require the collection of quantitative data. The quantified targets relating to social services are all supported by existing Departmental statistical collections or by currently proposed collections for the year 1999–2000.

In 1997, the Social Services Inspectorate published a national overview report of social services department's information strategies. In addition the Department has recently completed a special study of the information which social services departments have at their disposal to inform their commissioning of services for older people. It is anticipated that a report will be published shortly.

Neuroleptics

Mr. Burstow: To ask the Secretary of State for Health if he will require pharmacy advisers to monitor the use of neuroleptics in nursing and residential homes. [57631]

Mr. Milburn: We have no plans to require prescribing or pharmaceutical advisers to monitor the use of neuroleptics in nursing and residential homes. The responsibility for prescribing, including repeat prescribing and the prescribing of neuroleptics in nursing and residential homes, rests with the doctor who has clinical responsibility for that particular aspect of a patient's care. An extra safeguard is the responsibility nurses who administer the medication in nursing homes have in assessing for side effects and reporting on the effects to the prescriber.

Nursing Homes

Mr. Burstow: To ask the Secretary of State for Health how many nursing homes have been operational in each health authority in each of the last three years. [57632]

Mr. Hutton: Information on the number of independent nursing homes registered with each health authority as at 31 March for the years 1995, 1996 and 1997 is provided in the table. Information as at March 1998 is not yet available centrally.

Health Authority	*Nursing Homes* 1995	1996	1997
Northumberland	21	21	22
Sunderland	33	38	43
N. Durham	52	53	122
County Durham	—	—	122
S. Durham	51	60	—
Tees	75	80	79
South of Tyne	25	33	—
Gateshead & South Tyneside	—	—	36
N. Cumbria	21	24	24
Newcastle & N. Tyneside	42	51	49
E. Riding	41	45	45
S. Humberside	39	40	40
N. Yorkshire	134	131	130
Bradford	90	91	89
W. Yorkshire	79	80	—
Calderdale & Kirklees	—	—	81
Leeds	64	67	62
Wakefield	23	24	24
N. Derbyshire	56	62	67
S. Derbyshire	78	78	77
Leicestershire	59	66	67
Nottingham	89	95	93
Barnsley	31	31	31
Doncaster	34	35	34
Rotherham	21	25	25
Sheffield	38	48	43
N. Nottinghamshire	55	57	56
Lincolnshire	130	131	131
Cambridge	14	16	—
Cambridge & Huntingdon	—	—	24
N. W. Anglia	28	31	33
Huntingdon	3	6	—
Suffolk	60	69	67
E. Norfolk	57	63	62
Bedfordshire	29	30	31
N. W. Hertfordshire	15	14	—
West Hertfordshire	—	—	32
S. W. Hertfordshire	13	13	—
Barnet	21	22	22
Hillingdon	9	9	12
N. & E. Hertfordshire	25	25	—
Hertfordshire	—	—	29
Brent & Harrow	17	22	22
Ealing, Hammersmith & Hounslow	23	20	20
Kensington Chelsea & Westminster	10	15	10
N. Essex	63	70	65
S. Essex	57	58	66
Barking & Havering	16	18	18
Redbridge & Waltham Forest	15	15	21
E. London & The City	—	8	12
New River	21	24	—
Camden & Islington	10	9	10
Bromley	30	31	33
E. Sussex	149	152	140
E. Kent	88	88	88
W. Kent	78	77	75
Bexley & Greenwich	6	18	18
S. E. London	33	35	—
Enfield & Haringey	—	—	26
Lambeth, Southwark & Lewisham	—	—	42
E. Surrey	40	—	—
Chichester	58	—	—
Mid Downs	48	—	—
Worthing	68	—	—
Croydon	30	30	30
N. W. Surrey	36	—	—
S. W. Surrey	30	—	—
Merton, Sutton & Wandsworth	53	52	57
Mid Surrey	29	—	—
Kingston & Richmond	20	20	21
Western Surrey	—	69	69
Eastern Surrey	—	73	74
West Sussex	—	179	175
Dorset	158	155	144
Portsmouth & S. E. Hampshire	63	63	62
Southampton & S. W. Hampshire	46	46	50
N. & Mid Hampshire	45	52	46
Wiltshire & Bath	81	85	—
Wiltshire	—	—	66
Isle of Wight	15	13	16
Berkshire	50	53	53
Buckinghamshire	44	46	46
Northamptonshire	56	60	63
Oxfordshire	41	41	44
Bristol & District	146	149	—
Avon	—	—	163
Cornwall & Isle of Scilly	83	81	82
Exeter & N. Devon	87	88	—
N. & E. Devon	—	—	93
Plymouth & Torbay	109	111	—
S. & W. Devon	—	—	107
Gloucestershire	139	141	137
Somerset	66	68	78
Herefordshire	19	21	23
Worcester & District	35	37	—
Shropshire	48	48	53
N. Staffordshire	32	36	38
Coventry	16	18	16
Dudley	28	28	27
Sandwell	19	25	26
Solihull	8	7	10
Walsall	12	13	14
Wolverhampton	20	21	23
N. Birmingham	45	45	—

Health Authority	Nursing Homes 1995	1996	1997
S. Birmingham	37	38	—
Birmingham	—	—	82
N. Worcestershire	53	54	95
S. Staffordshire	80	86	90
Warwickshire	54	58	55
Chester	26	—	—
S. E. Cheshire	58	—	—
N. Cheshire	38	38	36
S. Cheshire	—	90	104
Liverpool	77	73	68
St. Helens & Knowsley	32	33	31
Sefton	98	89	84
Wirral	95	88	85
Bolton	22	—	—
Stockport	27	29	30
Wigan	12	—	—
N. W. Lancashire	80	79	78
E. Lancashire	71	73	76
S. Lancashire	42	42	42
Wigan & Bolton	—	37	36
Bury & Rochdale	56	56	54
W. Penine	36	38	38
Manchester	58	60	59
Salford & Trafford	54	55	49
Morecambe Bay	25	27	27
Total	5,332	5,541	5,568

Community Pharmacists

Mr. Burstow: To ask the Secretary of State for Health if he will make it his policy to put in place a system of remuneration to support the conduct of prescription reviews by community pharmacists in accordance with the proposals made by the Royal Pharmaceutical Society. [57630]

Mr. Milburn: Our proposals for the future role of community pharmacy within the National Health Service will be published in a strategy document which is being developed. We are looking at a number of ideas including services by pharmacists, which might include reviewing patients' prescription medicines.

Pharmacy Advisers

Mr. Burstow: To ask the Secretary of State for Health how many pharmacy advisers have been employed by each health authority in each of the last three years. [57633]

Mr. Milburn: The information requested cannot be reliably identified from central data.

Asylum Seekers

Mr. Gale: To ask the Secretary of State for Health what assessment he has made of the trend in the number of requests for treatment at East Kent hospitals for sexually transmitted diseases arising from the increase in the number of asylum seekers resident in the area. [57547]

Mr. Milburn: Most sexually transmitted diseases are treated in genito-urinary medicine clinics which offer open access and confidential services; consequently information on users of these services is limited. The number of sexually transmitted diseases reported to the Public Health Laboratory Service for East Kent is small and trends are therefore difficult to interpret. Data from 1995 onwards for East Kent do not indicate any clear difference from national trends.

Waiting Lists

Mr. Simon Hughes: To ask the Secretary of State for Health if he will list, by health authority, the targets for bringing down waiting list numbers. [57739]

Mr. Milburn: March 1999 health authority waiting list targets, by National Health Service Region, are listed in the table.

March 1999 waiting lists targets by health authority

Health authority	Waiting lists targets for March 1999
Northern and Yorkshire Region	135,007
Bradford	10,895
County Durham	12,022
East Riding	12,610
Gateshead and South Tyneside	8,650
Leeds	15,200
Newcastle and North Tyneside	8,350
North Cumbria	8,550
Northumberland	5,200
Sunderland	6,600
Tees	11,700
Wakefield	7,600
North Yorkshire	15,880
Calderdale and Kirklees	11,750
Trent Region	116,246
Barnsley	4,700
North Derbyshire	10,100
South Derbyshire	13,410
Doncaster	4,600
Leicestershire	17,350
Lincolnshire	19,300
North Nottinghamshire	8,685
Nottingham	12,548
Rotherham	4,500
Sheffield	11,143
South Humber	9,730
Anglia and Oxford Region	115,374
Bedfordshire	12,110
Berkshire	14,230
Buckinghamshire	13,620
Cambridge and Huntingdon	8,800
East Norfolk	15,070
Northamptonshire	14,990
North West Anglia	10,100
Oxfordshire	10,744
Suffolk	15,710
North Thames Region	162,216
Hillingdon	4,900
Kensington, Chelsea and Westminster	4,299
Enfield and Haringey	11,456
Redbridge and Waltham Forest	13,007
Barking and Havering	12,137
Barnet	5,486
Brent and Harrow	10,261
Camden and Islington	5,895
Ealing, Hammersmith and Hounslow	15,196
East London and the City	11,818
North Essex	24,519
South Essex	17,910
East and North Hertfordshire	13,772
West Hertfordshire	11,200

March 1999 waiting lists targets by health authority

Health authority	*Waiting lists targets for March 1999*
South Thames Region	168,555
Greenwich and Bexley	8,505
Bromley	6,875
Croydon	8,321
East Kent	17,155
West Kent	27,539
Kingston and Richmond	7,100
Lambeth, Southwark and Lewisham	17,865
Merton, Sutton and Wandsworth	10,812
East Surrey	10,128
West Surrey	16,689
East Sussex	18,700
West Sussex	18,866
South and West Region	146,502
North and Mid Hampshire	10,546
Portsmouth and South East Hampshire	9,717
Southampton and South West Hampshire	15,472
Isle of Wight	3,784
Somerset	13,000
Southand and West Devon	12,644
Wiltshire	14,985
Avon	21,250
Cornwall and Isles of Scilly	11,681
Dorset	12,371
North and East Devon	12,827
Gloucestershire	8,225
West Midlands Region	91,650
Birmingham	15,000
Coventry	4,281
Dudley	4,670
Herefordshire	2,818
Sandwell	4,500
Shropshire	7,561
Solihull	3,659
North Staffordshire	6,173
South Staffordshire	14,500
Walsall	2,850
Warwickshire	10,776
Wolverhampton	3,950
Worcester	10,912
North West Region	172,137
South Lancashire	9,495
Liverpool	12,029
Manchester	11,731
Morecambe Bay	6,717
St. Helens and Knowsley	9,230
Salford and Trafford	12,461
Sefton	8,030
Stockport	7,328
West Pennine	13,604
Bury and Rochdale	9,875
North Cheshire	9,784
South Cheshire	15,347
East Lancashire	13,150
North West Lancashire	12,980
Bolton and Wigan	14,875
Wirral	5,501
England	1,107,687

Nurses

Mr. Simon Hughes: To ask the Secretary of State for Health if he will list, by *(a)* health authority and *(b)* region, the numbers of current vacancies for nurses. [57738]

Mr. Milburn: This information is not collected centrally. Figures on vacancies for nurses and midwives are collected by the Office of Manpower and Economics and published in the annual reports of the Review Body for Nursing Staff, Midwives, Health Visitors and Professions Allied to Medicine, copies of which are in the Library.

Cash Limits

Mr. Laxton: To ask the Secretary of State for Health what changes will be made to the cash limits of his Department in 1998–99. [58086]

Mr. Dobson: Subject to Parliamentary approval of the necessary Supplementary Estimate, the cash limit for Class XI, Vote 1 (Hospital, community health, family health and related services, England) will be reduced by £166,621,000 (from £31,392,213,000 to £31,225,592,000). This allows for a transfer of £220,000,000 following a re-appraisal of drugs budget requirements and transfers of £5,000,000 to Class XI Vote 2 (Department of Health administration, miscellaneous health and personal social services, England) for children's services; £30,000 to Class XI, Vote 2 for the United Kingdom Coordinating Committee for Cancer Research and £20,000 to Class XIII, Vote 4 (Hospital, community health, family health, other health services and welfare food, Scotland) for general practice fundholders' cross border flows. The overall reduction is partially offset by an increase of £56,000,000 in respect of the take up of end year flexibility as announced by the Chief Secretary to the Treasury on 14 July 1998, *Official Report*, columns *131–36* and a transfer of £2,429,000 from Class XI Vote 2 for the Medical Devices Evaluation Service.

The cash limit for Class XI, Vote 2 (Department of Health, administration, miscellaneous health services and personal social services, England) will be increased by £55,873,000 (from £1,096,377,000 to £1,152,250,000). This increase allows for a claim on the Reserve of £53,900,000 to support the persons from abroad children's grant; transfers totalling £5,030,000 from Class XI, Vote 1 as mentioned above; a transfer of £20,000 (running costs) from Class XVII, Vote 1 (Cabinet Office: Office of Public Service) for accommodation costs; a transfer of £11,000 (running costs) from Class XIV, Vote 4 (Hospital, community health, family health services and other health services (part), Wales) for the National Screening Committee. The overall increase is partially offset by transfers totalling £3,075,000 for the Medical Device Evaluation Service made up of transfers to Class XI, Vote 1 as mentioned above (£2,429,000), Class XIII, Vote 4 (Hospital, community health, family health, other health services and welfare food, Scotland) (£369,000), Class XIV, Vote 4 (Hospital, community health, family health services and other health services (part), Wales) (£185,000) and to the Department of Health and Social Services, Northern Ireland (£92,000) and a transfer of £13,000 to Class IX, Vote 1 (Department for Education and Employment: programmes and central services) for their responsibility for childcare and early education.

The non-voted cash limit for supplementary credit approvals for personal social services (DoH/LACAP) in England is to be increased by £602,000 from £14,700,000 to £15,302,000 in respect of the take up of the end year

flexibility entitlement as announced by the Chief Secretary to the Treasury on 14 July 1998, *Official Report*, columns *131–36*.

The Department's gross running cost limit will be increased by £31,000 from £262,915,000 to £262,946,000 as detailed above.

All increases will either be offset by savings, increased receipts or transfers to or from other Votes or charged to the Reserve and will not therefore add to the planned total of public expenditure.

Parliamentary Questions

Mr. Maples: To ask the Secretary of State for Health when he plans to provide a substantive reply to the question from the hon. Member for Stratford-on-Avon tabled on 7 October. [57993]

Ms Jowell: Shortly.

Correspondence

Sir Brian Mawhinney: To ask the Secretary of State for Health when the right hon. Member for North-West Cambridgeshire can expect a reply to his letter of 17 September on behalf of his constituent Mr. Bishop. [57526]

Mr. Milburn: My right hon. Friend the Secretary of State replied to the right hon. Member on 29 October 1998.

Mr. Steen: To ask the Secretary of State for Health when he plans to reply to the letter of 13 October from Anthony C. Walkey, 11 Castle Street, Totnes, Devon about the death of his son at the North Middlesex Hospital on 2 February; and if he will make a statement as to the steps he is proposing to take to ensure that lessons are learnt from the case. [55874]

Mr. Dobson: I will reply shortly to Mr. Walkey's letter of 12 September.

Policy Proposals (Quality of Life)

Mrs. Roe: To ask the Secretary of State for Health what methods of measurements and from what base lines his Department employs in assessing the quality of life implications of policy proposals; and how these were selected. [55770]

Mr. Milburn: The Department uses a range of methods to assess the implications of policy proposals, consistent with relevant guidance such as the Department of Health guide "Policy Appraisal and Health", copies of which are available in the Library and other guidance from other Government departments.

Community Hospitals

Mr. Woodward: To ask the Secretary of State for Health (1) how many community hospitals there are in Great Britain; and how many are under review; [57497]

(2) how many community hospitals there were in Great Britain on 1 May 1997. [57498]

Mr. Milburn: The information requested for England is not collected centrally.

Questions regarding Scotland and Wales are matters for my right hon. Friends the Secretaries of States for Scotland and for Wales.

Mr. Woodward: To ask the Secretary of State for Health (1) how many community hospitals will close by 1 January 2000; [57494]

(2) how many community hospitals he estimates there will be in Great Britain on 1 January 2000. [57496]

Mr. Milburn: We are committed to modernising the National Health Service and community hospitals can have an important role in this NHS.

It is not possible to predict what future requirements for community hospitals will be. These will be considered on a case by case basis.

Questions regarding Scotland and Wales are matters for my right hon. Friends the Secretaries of State for Scotland and for Wales.

Mr. Woodward: To ask the Secretary of State for Health what has been the average bed occupancy in community hospitals in *(a)* England and *(b)* Oxfordshire in the last 18 months. [57495]

Mr. Milburn: Information about bed occupancy is available only by trust or type of trust, not by hospital or type of hospital.

AGRICULTURE, FISHERIES AND FOOD

Beef

Mr. Kidney: To ask the Minister of Agriculture, Fisheries and Food what progress his Department has made in ensuring that British beef is bought for British armed forces. [55748]

Mr. Rooker: Government Departments are generally required to look for best value for money in their procurement decisions and it would contravene the Treaty of Rome to operate a "Buy British" Policy.

Nevertheless, following a request from the UK, last summer a regulation was agreed in Brussels, authorising the sale of 1,200 tonnes of UK intervention beef to UK armed forces and associated personnel. The MOD's suppliers began taking over this beef in September and, apart from those forces stationed overseas, all new supplies of beef to the armed forces will be wholly British.

Green Pound Compensation Scheme

Mr. Steen: To ask the Minister of Agriculture, Fisheries and Food if he will list the signatory countries for the green pound compensation scheme; when he plans to implement the scheme; and from what source he proposes to fund the scheme. [55875]

Mr. Rooker: The agrimonetary system forms part of the European Union Common Agricultural Policy. It is used to convert CAP payments set in Ecu into national currencies. Compensation is available for green rate revaluations in certain circumstances, 50% of which can be reclaimed from the EU budget. The Government announced in December 1997 that they would pay a package of aid worth £85m to beef and sheep producers,

in respect of green pound revaluations that occurred in 1997. All of this £85m package could be reclaimed from the EU budget.

Over-30-months Scheme

Mr. Steen: To ask the Minister of Agriculture, Fisheries and Food when he will lift the over-thirty-months scheme weight limit for beef cattle imposed in August 1997. [55922]

Mr. Rooker: We currently have no plans to remove the weight limit on payments under the Over-Thirty-Months Scheme. The scheme rules and rates of payment are in any case set not by the Government but by the European Commission.

Mr. Laurence Robertson: To ask the Minister of Agriculture, Fisheries and Food what discussions he has had with farmers about the difficulties in fattening calves sufficiently by the age of 30 months; if he will allow calves of up to 36 months to enter the food chain; on what scientific evidence the age limit was set at 30 months; and if he will make a statement. [56557]

Mr. Rooker: In most circumstances, beef production systems can be adapted quite easily to enable producers to finish cattle at under thirty months of age and farmers' leaders have not suggested to us that there is any real problem in doing so. However, the Beef Assurance Scheme, which was introduced in September 1996 in response to representations from specialist breeders, enables Scheme animals to be slaughtered for human consumption up to 42 months of age, subject to very strict conditions.

The controls were introduced after the Spongiform Encephalopathy Advisory Committee (SEAC) recommended, on 20 March 1996, that the carcases from cattle over 30 months should also be deboned and the trimmings classified as Specified Bovine Offals (SBOs). The basis for the 30 months age point was that it was half the way through the average incubation period of the disease. Evidence at the time from scrapie experiments in animal models indicated that it was after this point that infectivity was expected to enter the central nervous system (CNS) where the infectivity would rise to much higher levels than in other infected tissues. Consequently, cattle over the age of thirty months were considered to represent a much higher risk to consumers than younger animals. Very few animals below this age showed signs of clinical disease. The then Government went further than the advice to debone and, with the subsequent exception of Beef Assurance Scheme animals, all cattle over 30 months were prevented from entering the food chain. To date, no further scientific information has been available which has caused SEAC to change its advice.

The Government have at present no plans to modify the rule but, as with all BSE control measures, it is being kept under review. Any decision to change the 30 months age limit will be taken in the light of progress with the eradication of BSE and of further advice from SEAC. The effective operation of the rule is a condition of the Florence Agreement on the lifting of the beef export ban. Any change would therefore require the agreement of the European Commission and other Member States.

Calf Processing Aid Scheme

Mr. Steen: To ask the Minister of Agriculture, Fisheries and Food which EU countries will continue the calf processing assistance scheme after the EU directive expires; and what plans he has to continue assistance for calf processing after 30 November. [55876]

Mr. Rooker: We understand that France and Ireland will continue to operate the Calf Processing Aid Scheme after the obligation to do so lapses on 30 November; Portugal may also do so. As I made clear to the House on 26 October 1998, *Official Report*, column 89, the Government's current intention is that the Scheme will cease to operate in the United Kingdom as soon as the obligation lapses.

Mr. Jack: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement listing the steps necessary to reintroduce the calf processing aid scheme after it ends in November. [56094]

Mr. Rooker *[holding answer 27 October 1998]:* The Government would first need to be persuaded that the continued slaughter of calves at taxpayers' expense would be in the best long-term interests of UK agriculture. Second, having no current financial provision for the continuation of the scheme, they would need to agree with the Treasury that funds could be made available. Finally, it would need to inform the Commission of its intention to reintroduce the scheme.

Farm Subsidies

Jackie Ballard: To ask the Minister of Agriculture, Fisheries and Food what funding his Department made available for agri-environmental schemes in each of the last three years; and what amounts he expects to be available over the next three years. [56516]

Mr. Morley: Details of expenditure on each of the agri-environment schemes in England are contained in the Departmental Reports for 1996 (CM 3204), 1997 (CM 3604) and 1998 (CM 3904), available from the Library of the House.

The implications of the Government's Comprehensive Spending Review for expenditure on the agri-environment schemes over the next three years were explained in the written statement made to the House by my right hon. Friend the Minister of Agriculture, Fisheries and Food on 27 October 1998, *Official Report*, columns *156–58*.

Ms Keeble: To ask the Minister of Agriculture, Fisheries and Food if farmers will be able to have their CAP subsidy paid in euros. [56709]

Mr. Morley: The Commission's proposals for the reform of the agrimonetary regime, to take account of the introduction of the Euro, allow for the possibility of operators in Member States not participating in the first wave to receive CAP payments in Euro. In response to UK pressure, the Commission have amended their original text to make the option of Euro payments in non-participating countries a more attractive and workable one.

We recognise that some farmers and traders in the UK are interested in the option of receiving CAP payments in Euro. At present, we are actively examining the very

considerable practical and resource implications of such a move, whilst continuing detailed discussions on possible arrangements with the Commission.

In considering the option of Euro payments, we want to be sure that offering it would not jeopardise the standards of service we currently aim to provide, or increase the risk of disallowance on any part of CAP expenditure administered in the UK.

Discussions on the agrimonetary regulations are still continuing in the Council.

Fisheries

Mr. Gill: To ask the Minister of Agriculture, Fisheries and Food what procedure he will follow to achieve the United Kingdom's priorities of *(a)* retaining relative stability and *(b)* the maintenance of six and 12 mile fisheries limits. [56633]

Mr. Morley: The United Kingdom will continue to work closely with the European Commission and other Member States.

Mr. Gill: To ask the Minister of Agriculture, Fisheries and Food what response he has made to fishermen's federations' proposals for coastal or zonal state management. [56634]

Mr. Morley: I have warmly welcomed the joint strategy of the National Federation of Fishermen's Organisations and Scottish Fishermen's Federation on the future of the Common Fisheries Policy as a good basis for discussion.

Fur Farming

Mr. Swayne: To ask the Minister of Agriculture, Fisheries and Food when he will bring forward new measures to regulate fur farming; and if he will make a statement. [56499]

Mr. Morley: The Government's firm intention is to ban fur farming as soon as practicable. However, primary legislation will be required, and any prohibition on fur farming must be implemented in accordance with national and international law if it is to achieve its objective. We are considering how best to achieve that objective. Any Government proposals for legislation to ban fur farming would be subject to public consultation. All current mink farm licensees have been given notice of our intention to prohibit fur farming.

Horses

Mr. Hancock: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the size of the current black market in veterinary medicines for horses in the United Kingdom; and what assessment he had made of the impact of European Council Directive 81/851/EEC after 1 January 2000. [55805]

Mr. Rooker: We do not hold information on a 'black market' in veterinary medicines for horses. Any evidence of medicines being sold or supplied illegally should be sent to the Veterinary Medicines Directorate, who will pursue instances vigorously.

Council Regulation EC 2377/90 requires maximum residue limits (MRLs) to be set for all veterinary medicines used for food producing animals by 31 December 1999. It is a matter for the companies concerned to provide the data to support an application for an MRL. A number of applications for assessment have been received but there are some active ingredients for which the necessary data to support an application for an MRL have not been provided within the deadline laid down by the Council Regulation.

Mr. Hancock: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the effectiveness of the use, in horses, of sedatives prior to general anaesthesia in preventing perioperative death. [56755]

Mr. Rooker: All applications for marketing authorisations for veterinary medicinal products are assessed against statutory criteria of safety, quality and efficacy. As part of this process, the applicant company is required to submit data to the Veterinary Medicines Directorate where they are carefully assessed by qualified specialists. Where appropriate, advice is also sought from the independent scientific Veterinary Products Committee (VPC) which advises Agriculture and Health Ministers on veterinary medicines. No product is approved unless it satisfies the criterion for efficacy.

Mr. Hancock: To ask the Minister of Agriculture, Fisheries and Food which pre-operative sedatives used in the UK for horses do not currently have a submitted maximum residual level; how many he expects to have a MRL by 1 January 1999; and how many presently have a submitted MRL. [56752]

Mr. Rooker: There are six active ingredients in veterinary medicinal products used as pre-operative sedatives for horses in the UK. Four of these have been included in Annex II (substances not subject to maximum residue limits) of Council Regulation (EEC) No. 2377/90 as amended. The two remaining active ingredients, acepromazine and xylazine, are currently being assessed.

Pigs

Mr. Öpik: To ask the Minister of Agriculture, Fisheries and Food what is the current size of the national pig herd; what estimate he has made of the likely size of the pig herd over the next five years; and if he will make a statement. [56925]

Mr. Rooker: The provisional results of the June 1998 census records a total of 8.1 million pigs in the UK. Although no estimates are made beyond the immediate future, it is reasonable to assume that the number of pigs will fluctuate over the next five years in line with the pig cycle.

Mr. Öpik: To ask the Minister of Agriculture, Fisheries and Food what estimates his Department has made of the average level of farm incomes on pig farms over the next six months; and if he will make a statement. [56924]

Mr. Rooker: None; indications are that, given the present level of production and market prices, incomes will remain depressed.

Public Appointments

Mr. Vaz: To ask the Minister of Agriculture, Fisheries and Food if he will publish the names of those people he has appointed to public bodies since 1 May 1997, indicating the positions to which they have been appointed and whether they receive remuneration. [56797]

Mr. Morley: Details of appointments made in 1997 were published in the 1998 Departmental Annual Report, copies of which are available in the Library of the House. Similar information for appointments made in 1998 will be included in the 1999 Report. I will write to my hon. Friend with a copy of this information in advance of publication.

BSE (Additional Funding)

Mr. Laurence Robertson: To ask the Minister of Agriculture, Fisheries and Food how much additional funding he intends to provide to *(a)* Gloucestershire County Council and *(b)* nationally to Trading Standards Services in order to carry out work in connection with BSE. [56783]

Mr. Rooker *[holding answer 29 October 1998]:* I have no plans to provide any additional funding to Gloucestershire County Council or nationally to Trading Standards Services to carry out their enforcement responsibilities in respect of BSE legislation. Through the BSE Regulatory Forum, however, my officials will continue to work with representatives of local authorities on ways in which improved guidance and co-ordination of enforcement activity can be achieved to ensure the most cost effective use of available resources.

Animal Feed

Mr. Duncan: To ask the Minister of Agriculture, Fisheries and Food what action has been taken by his Department to implement the Spongiform Encephalopathy Advisory Committee's recommendation that there should be a prohibition on the use of mammalian meat and bonemeal in feed for all farm animals. [57003]

Mr. Rooker: The Bovine Spongiform Encephalopathy (Amendment) Order 1996 (SI 1996 No. 962), which came into force on 29 March 1996, implemented the Spongiform Encephalopathy Advisory Committee's advice of 20 March 1996 by introducing a prohibition on the feeding of mammalian meat and bone meal to all farmed livestock.

Farmers (Average Age)

Mr. Levitt: To ask the Minister of Agriculture, Fisheries and Food what the average age is of British farmers; and how this has changed over the last thirty years. [57300]

Mr. Rooker: The earliest year for which figures are available is 1975. The age distribution of UK farmers in 1975 and 1995 are given in the table. The estimated average age has increased from 53 years in 1975 to 55 years in 1995.

	Percentage of farmers	
Age range	*1975*	*1995*
Less than 35	9	6
35 to less than 45	19	17
45 to less than 55	27	27
55 to less than 65	27	26
65 years and over	18	24
Total	100	100

Source:
EC Farm structure surveys

Milk Marque

Mr. Levitt: To ask the Minister of Agriculture, Fisheries and Food if Milk Marque is covered by the same rules as other dairy consortia when negotiating prices for its product. [57302]

Mr. Rooker: The whole of the market for raw milk is subject to competition law in the same way as other sectors. The Monopolies and Mergers Commission is currently investigating the market for raw milk in Great Britain and is due to report in January 1999.

Pre-slaughter Tranquillisers

Mr. Levitt: To ask the Minister of Agriculture, Fisheries and Food what checks are in place to establish that meat containing pre-slaughter tranquillisers is not being imported into Britain. [57298]

Mr. Rooker: Member States are required to test meat for a wide range of veterinary medicines, including tranquillisers, and are responsible for implementing and policing the relevant Directives in respect of their own national production.

Any third country wishing to export fresh meat to the European Union must submit residue testing plans to the Commission that provide guarantees which are at least equivalent to the requirements of the Community on EC producers.

Port Health Authorities in the UK (or local authorities in their absence) are responsible under Directive 90/675/EEC for checking 1% of all imported meat and meat products for residues of veterinary medicines.

Imported Meat

Mr. Levitt: To ask the Minister of Agriculture, Fisheries and Food what proportion of imported animal carcases is tested for the presence of hormones. [57299]

Mr. Rooker: All EU Member States are required to have national monitoring plans to detect residues and substances in animal tissues and products, including meat, and to report the results of their monitoring to the European Commission each year. These monitoring plans apply to the production process and, as such, provide the necessary guarantees in respect of products in free circulation in the Single Market as a whole, not just in the Member State concerned. Because of these Single Market rules, checks for the presence of residues in carcases originating in other Member States are not routinely carried out in the UK.

All meat imported into the EU must originate from approved third countries. Responsibility for approving third countries rests with the European Commission, who

must take account of information on matters which include legislation on the use, authorisation, distribution and marketing of substances which might be administered to livestock. Inclusion or retention on the list of approved countries is subject to the submission of acceptable monitoring plans which provide guarantees at least equivalent to those provided by EU Member States.

In addition, the European Commission's guidance on the testing of meat imported from third countries states that at least 1 per cent. of consignments which are subject to physical checks at Border Inspection Posts should be randomly sampled for residues, contaminants and bacteria such as salmonella and coliforms. For red meat, 1 per cent. of consignments subject to physical checks equates to 0.2 per cent. (i.e. 1 in 500) of all consignments. In the year to 31 August 1998, 3.7 per cent. of consignments of all products of animal origin imported into Great Britain from third countries were sampled by the local authorities responsible for Border Inspection Posts. The figures do not separately identify the numbers of checks on carcases or the number of residue checks carried out.

Mr. Levitt: To ask the Minister of Agriculture, Fisheries and Food if he will ensure that standards of inspection of imported meat are as high as those at British abattoirs. [57305]

Mr. Rooker: All consignments of fresh meat imported into the UK, whether from other EU Member States or third countries, must have been produced in accordance with the harmonised Community rules laid down in Council Directive 64/433/EEC. Among other things, this Directive sets out the licensing, structural and veterinary supervision requirements to be applied in abattoirs, cutting plants and cold stores. Slaughterhouses in third countries have to comply with standards at least equivalent to those laid down in the Directive before they can export to the EU.

Ensuring that all Member States comply with their Community obligations in properly implementing and applying the Directive is the responsibility of the European Commission, whose Food and Veterinary Office carries out regular programmes of inspection visits to all Member States. The Food and Veterinary Office are also responsible for carrying out inspections in the third countries from which fresh meat is imported into the Community.

All consignments of fresh meat imported from third countries are subject to veterinary inspection on entering the EU to ensure that conditions of import have been complied with and to ensure that they have remained in a satisfactory condition during transport. In line with Community rules, random spot checks at destination may be carried out on consignments of fresh meat imported into the UK from other EU Member States.

Abattoirs

Mr. Llew Smith: To ask the Minister of Agriculture, Fisheries and Food what safety assessment his Department has conducted on the spreading of condensate from abattoirs on to agricultural land. [57102]

Mr. Rooker: Condensate is produced from the steam driven off during the rendering of carcases or offal. Most renderers dispose of their condensate to sewers but a small number spread theirs on agricultural land. The spreading of waste on agricultural land is subject to control by the Environment Agency under the waste management provisions of Part II of the Environment Protection Act 1990.

In response to concerns about the practice, the Environment Agency commissioned a risk assessment report by independent technical consultants about the safety of condensate spread from a plant. The independent Spongiform Encephalopathy Advisory Committee are reviewing the practice, based on the results of the risk assessment and associated work, and we await their advice.

Badgers

Mr. Gale: To ask the Minister of Agriculture, Fisheries and Food (1) what estimate he has made of the proportion of cubs born which would be saved as the result of the imposition of a six-month closed season for the culling of badgers; [57549]

(2) what estimate he has made of the proportion of cubs born which will be preserved by the introduction of a three-month closed season for the culling of badgers; [57554]

(3) what assessment his Department has made of information relating to the effects upon welfare of the imposition of a six-month closed season for the culling of badgers; and if he will list the sources of such data; [57550]

(4) what factors underlay his statement that a three-month closed season for culling badgers would meet the major welfare concerns about dependent cubs; [57552]

(5) if he will list the experts he has consulted prior to determining the proposed closed season for badger culling. [57551]

Mr. Rooker: The Krebs report recommended that lactating female badgers should be culled throughout the year. Ministers asked Professor Bourne's group to re-examine this recommendation, taking account of comments received on the Krebs report, many of which expressed concern, and views expressed during meetings with a variety of individuals and organisations. The group concluded that badger welfare would be enhanced by a closed season, but that culling would not be a practicable policy option if that season lasted longer than three months. The three months from February to April were selected because, over a period of years, they would offer protection to a greater proportion of dependent cubs than any other three month period, but no estimate has been or can be made of the numbers affected.

Mr. Gale: To ask the Minister of Agriculture, Fisheries and Food if his Department's nature conservation advisers observe a closed season of seven months on the issuing of licences to disturb or exclude badgers from their setts. [57553]

Mr. Rooker: Although there is no provision for a closed season under the Protection of Badgers Act 1992, the Ministry takes the badger breeding season into account when determining licence applications.

Imports and Exports

Mr. Maclean: To ask the Minister of Agriculture, Fisheries and Food what has been the value, in current

prices, of the United Kingdom's net imports or exports of *(a)* beef and veal, *(b)* lamb and mutton, *(c)* pork and other pigmeats, *(d)* cereals and other crops, *(e)* horticultural products and *(f)* non-meat livestock products for each year since 1975. [57505]

Mr. Rooker: The tables show the value at current prices (prices at the time of trade), as recorded by the Overseas Trade Statistics, for imports, exports and net trade for each year from 1975 to 1997 for the following:

(a) beef and veal;

(b) lamb and mutton (including the meat of goats between 1975 and 1987);

(c) pork and other pigmeats;

(d) cereals and cereal preparations of barley, maize, oats rice, rye, wheat and other cereal crops;

(e) fruit, nuts and vegetables and their preparations;

(f) eggs and egg products, and milk and milk products.

UK Overseas Trade 1975–1997

£ million

(a) Beef and veal

Year	Exports	Imports	Exports less Imports
1975	93.4	138.1	–44.7
1976	107.8	182.5	–74.7
1977	122.1	237.4	–115.3
1978	150.2	271.9	121.7
1979	145.0	321.1	–176.2
1980	201.2	293.7	–92.5
1981	185.9	270.6	–84.7
1982	182.6	282.5	–99.9
1983	285.1	272.8	12.3
1984	269.5	245.4	24.1
1985	262.1	256.9	5.2
1986	243.8	341.7	–98.0
1987	318.2	389.0	–70.9
1988	248.5	482.7	–234.1
1989	303.7	425.6	–121.9
1990	232.5	337.2	–104.7
1991	232.7	370.3	–137.6
1992	265.6	384.9	–119.3
1993	371.3	367.9	3.4
1994	500.5	300.1	200.4
1995	597.3	338.8	258.5
1996	[1]148.9	308.9	–160.0
1997	[1]15.0	356.9	–341.9

[1] Exports after March 1996 are re-exports of produce of non-UK origin

£ million

(b) Lamb and mutton

Year	Exports	Imports	Exports less imports
1975	27.4	121.5	–94.1
1976	32.7	133.2	–100.5
1977	54.8	157.9	–103.1
1978	56.4	182.2	–125.8
1979	58.2	173.1	–114.9
1980	55.5	170.4	–115.0
1981	68.0	170.0	–102.0
1982	71.1	248.9	–177.8
1983	83.6	183.5	–99.9
1984	90.9	178.5	–87.6

£ million

(b) Lamb and mutton

Year	Exports	Imports	Exports less imports
1985	94.5	195.9	–101.3
1986	127.4	152.3	–24.9
1987	150.8	152.2	–1.4
1988	170.9	136.6	34.4
1989	191.5	150.3	41.1
1990	178.4	188.7	–10.3
1991	174.6	132.9	41.7
1992	216.6	151.1	65.5
1993	235.9	199.2	36.7
1994	263.2	185.6	77.6
1995	312.8	212.2	100.6
1996	325.5	268.3	57.2
1997	257.6	260.3	–2.7

£ million

(c) Pork and other pigmeats

Year	Exports	Imports	Exports less imports
1975	4.7	231.8	–227.2
1976	10.6	237.0	–226.4
1977	17.1	283.7	–266.6
1978	14.8	363.6	–348.8
1979	18.5	381.5	–363.0
1980	20.4	400.1	–379.7
1981	20.0	422.2	–402.2
1982	33.4	420.4	–387.0
1983	51.1	403.9	–352.8
1984	49.3	453.2	–403.9
1985	55.9	458.3	–402.4
1986	64.6	462.1	–397.5
1987	53.5	484.7	–431.2
1988	59.5	500.0	–440.6
1989	73.0	642.5	–569.6
1990	71.8	662.3	–590.5
1991	97.9	618.1	–520.2
1992	143.2	652.4	–509.2
1993	130.3	594.8	–464.6
1994	161.0	575.2	–414.2
1995	240.3	755.8	–515.5
1996	273.8	987.5	–713.7
1997	297.6	735.5	–437.9

£ million

(d) Cereals and cereal preparations

Year	Exports	Imports	Exports less imports
1975	169.1	612.0	–442.8
1976	134.3	747.5	–613.1
1977	210.7	820.4	–609.7
1978	364.8	674.6	–309.8
1979	264.4	668.4	–404.0
1980	455.7	603.2	–147.5
1981	697.8	565.9	131.9
1982	773.9	549.9	224.0
1983	740.9	593.5	147.5
1984	992.7	629.0	363.7
1985	833.0	713.2	119.9
1986	1,177.5	769.3	408.2
1987	813.8	742.7	71.1
1988	674.8	751.2	–76.4
1989	951.6	722.2	229.4
1990	1,061.6	785.1	276.5

£ million

(d) Cereals and cereal preparations

Year	Exports	Imports	Exports less imports
1991	1,102.8	818.5	284.3
1992	1,203.5	1,004.2	199.3
1993	1,231.5	1,013.8	217.8
1994	1,146.1	984.1	162.0
1995	1,330.7	1,037.9	292.9
1996	1,603.9	1,151.2	452.8
1997	1,411.0	1,268.9	142.1

£ million

(e) Fruit, nuts and vegetables

Year	Exports	Imports	Exports less imports
1975	67.4	690.8	-623.4
1976	84.1	941.5	-857.4
1977	110.3	1,107.9	-997.5
1978	132.8	1,041.3	-908.5
1979	148.5	1,174.6	-1,026.1
1980	152.5	1,238.9	-1,086.4
1981	152.2	1,389.4	-1,237.1
1982	154.0	1,608.3	-1,454.3
1983	163.2	1,718.5	-1,555.4
1984	190.8	1,930.3	-1,739.5
1985	205.3	2,037.1	-1,831.8
1986	251.7	2,184.4	-1,932.6
1987	300.3	2,414.4	-2,114.1
1988	222.3	2,458.9	-2,236.6
1989	281.2	2,725.8	-2,444.6
1990	263.7	2,964.5	-2,700.7
1991	298.5	3,002.6	-2,704.1
1992	330.6	3,118.0	-2,787.4
1993	328.3	3,146.1	-2,817.8
1994	378.9	3,426.6	-3,047.7
1995	457.0	3,950.4	-3,493.3
1996	475.4	4,403.9	-3,928.5
1997	454.8	4,092.4	-3,637.6

£ million

(f) Eggs and milk

Year	Exports	Imports	Exports less imports
1975	51.7	522.6	-470.9
1976	115.0	504.6	-389.6
1977	98.0	460.3	-362.3
1978	221.8	510.0	-288.2
1979	226.2	534.4	-308.2
1980	298.4	493.7	-195.3
1981	307.2	592.2	-285.0
1982	325.6	567.9	-242.3
1983	308.1	629.2	-321.1
1984	246.6	604.6	-358.0
1985	281.3	606.3	-325.0
1986	331.5	653.2	-321.7
1987	318.8	663.4	-344.6
1988	389.1	761.2	-372.1
1989	501.8	786.4	-284.7
1990	458.2	913.7	-455.5
1991	451.9	871.0	-419.0
1992	534.6	1,111.4	-576.8
1993	646.3	1,028.5	-382.2
1994	695.8	1,112.0	-416.2
1995	818.1	1,105.0	-287.0
1996	742.2	1,243.2	-501.0
1997	746.8	1,141.8	-395.1

Note:
The figure for net trade may not equal the difference between exports and imports due to rounding
Source:
HM Customs and Excise Business Monitors

Farmgate Prices

Mr. Maclean: To ask the Minister of Agriculture, Fisheries and Food what estimates he has made for farmgate prices in 1998–99 for *(a)* cereals, *(b)* other crops, *(c)* beef and veal, *(d)* lamb and mutton, *(e)* pigs and pigmeat, *(f)* milk, *(g)* other non-meat livestock products and *(h)* horticultural products. [57499]

Mr. Rooker: Forecast estimates of farmgate prices for the complete period 1998–99 are not published. The latest prices are as set out in the table.

Product	Price	Unit	Coverage	Date of price
Cereals				
Wheat	73.10	£/tonne	GB	w/c 19 October 1998
Barley	76.10	£/tonne	GB	w/c 19 October 1998
Oats	62.20	£/tonne	GB	w/c 19 October 1998
Other crops				
Potatoes (King Edward)	150.08	£/tonne	England and Wales	w/c 19 October 1998
Cattle				
Charolais/X First Quality—18 month steers	409.82	£/head	England and Wales	w/c 19 October 1998
Sheep				
Lambs First Quality	27.63	£/head	England and Wales	w/c 19 October 1998
Pigs				
Store Pigs—(9 weeks and under 12 weeks)	14.88	£/head	England and Wales	w/c 19 October 1998
Livestock products				
Eggs (Intensive)	29.00	p/dozen	UK	w/c 27 September 1998
Milk	20.79	p/litre	UK	August 1998, provisional

Product	Price	Unit	Coverage	Date of price
Horticultural products				
Apples—Cox's Orange Class 1	45.60	p/kg	England	w/c 19 October 1998
Pears—Conference Class 1	42.83	p/kg	England	w/c 19 October 1998

Notes:
1. Egg figures are selected from the monthly Egg Statistics Notice (October 9, 1998)
2. Milk figures are selected from the monthly United Kingdom Milk Prices Statistics Notice (October 9, 1998)
3. The prices for the other products are selected from the Agricultural Market Report (week ending 23 October 1998). The report, covering a wide range of agricultural products, is issued weekly and is available in the House of Commons Library

Intervention Board

Mrs. Betty Williams: To ask the Minister of Agriculture, Fisheries and Food what changes are proposed to the Intervention Board Executive Agency's cash limit for 1998–99. [58156]

Mr. Nick Brown: Subject to Parliamentary approval of the necessary Supplementary Estimate, the cash limit for the Intervention Board Executive Board Executive Agency (Class IV Vote I Administration) will be increased by £12,310,000 from £60,194,000 to £72,504,000. This vote is eligible for a running cost increase of £761,000 in respect of the end year flexibility arrangements, as announced by the Chief Secretary to the Treasury on 14 July 1998, *Official Report*, columns *131–36*.

The increase is to cover running costs associated with the Bovine Spongiform Encephalopathy (BSE) schemes operated by IB and its agents in the United Kingdom; and capital expenditure on IT systems enhancement and development. The running costs limit for the Intervention Board Executive Agency will be increased by £11,448,000 from £57,590,000 to £69,038,000.

The increase will be charged to the Reserve and will not, therefore, add to the planned total of public expenditure.

Written Answers to Questions

Tuesday 3 November 1998

CHURCH COMMISSIONERS

Stolen Property

Mr. Gordon Prentice: To ask the hon. Member for Middlesbrough, representing the Church Commissioners, what estimates he has made of the total value of church furniture, ornaments and other items that have been stolen from churches open to the public in the past 12 months. [57069]

Mr. Stuart Bell: This is not a matter for the Church Commissioners. I understand that there is no central register kept of thefts from Church buildings in England. However, figures from the Ecclesiastical Insurance Group, which insures most Anglican Churches in England, show that, in 1997, 1,974 cases of theft were reported from Anglican Churches insured by the EIG in England and Scotland. The items stolen were insured for some £1.5m. These records do not show whether the church was open to the public at the time of the theft.

Millennium Arts Festival

Mr. Rowe: To ask the hon. Member for Middlesbrough, representing the Church Commissioners, what steps the Commissioners are taking to encourage the Church of England to support local schools participating in the JC2000 Millennium Arts Festival for Schools. [57476]

Mr. Stuart Bell: Although not a matter for the Commissioners, I understand from the Church of England Board of Education that a quarter of the Schools in England, many of them Church schools, have already indicated an interest in the JC2000 Millennium Arts Festival for Schools. The Church of England is actively involved, through its network of Diocesan Directors of Education, in the support of 5,000 Church of England schools in England, and many other schools have connections with their parish Church. The Board of Education expresses its support for this exciting and imaginative millennium project.

DEFENCE

Defence Estates Organisation

Mr. Gardiner: To ask the Secretary of State for Defence what performance targets have been set for the Defence Estates Organisation for 1998–99. [58406]

Mr. Spellar: The following key performance targets have been set for the Defence Estates Organisation for 1998–99:

Key Target 1:

Establish cost of disposals (including internal costs and consultancy fees, but not works in aid) as a percentage of disposal receipts and set targets for improvement.

Key Target 2:

Achieve gross disposal receipts of £150 million.

Key Target 3:

Complete transfer of title to new owner of 90 per cent. of disposals within three years of property being passed to DEO for disposal.

Key Target 4:

Complete initial assessment against Business Excellence Model.

Key Target 5:

Complete internal IIP and external customer survey and submit reports to the Owners Advisory Board, together with proposed targets for improvement.

Key Target 6:

Appointment of external project managers for capital works projects:

a: 99 per cent. achievement within one month for appointments made through Term Commissions or Partnering arrangements.

b: 90 per cent. achievement within 5 months for all appointments.

Mr. Raymond Bristow

Mr. Llew Smith: To ask the Secretary of State for Defence if he will make a statement on the medical tests conducted on Gulf War Veteran Warrant Officer Ray Bristow of the 32 field hospital in the Royal Army Medical Corps in respect of suspected health damage arising from exposure to depleted uranium dust during the Gulf War. [57090]

Mr. Doug Henderson: The Ministry of Defence is aware that Dr. Asaf Durakovic, a US physician, is reported as having carried out tests for the presence of depleted uranium (DU) on some UK Gulf veterans, including Mr. Raymond Bristow. However, we have not yet seen details of either the tests which have been performed or the results obtained. Accordingly, the MOD cannot comment on Dr. Durakovic's reported findings.

The MOD is well aware that a link has been suggested between possible exposure to DU and the illnesses being experienced by some Gulf veterans. However, this is only one of a number of factors which have been suggested as causes of Gulf veterans' illnesses and, pending further medical and scientific evidence, my Department is keeping an open mind on this issue.

Any Gulf veteran who is concerned that his or her health has been adversely affected by Service during the Gulf conflict, including possible exposure to DU, is urged to seek a referral to the MOD's Medical Assessment Programme.

Royal Irish Regiment

Mr. John D. Taylor: To ask the Secretary of State for Defence how many persons in the regular battalions of the Royal Irish Regiment were born in *(a)* Northern Ireland, *(b)* the remainder of the United Kingdom, *(c)* the Republic of Ireland and *(d)* elsewhere. [57581]

Mr. Doug Henderson: Members of the Royal Irish Regiment (General Service), whose place of birth is recorded as being in the four areas specified, are detailed in the table.

Place of birth	Number
Northern Ireland	348
Remainder of the United Kingdom	249
Republic of Ireland	33
Elsewhere	5
Total	635

West Indies Guard Ship

Mr. Keetch: To ask the Secretary of State for Defence what plans he has to alter the rules for engagement for the West Indies Guard Ship; and if he will make a statement. [57748]

Mr. Doug Henderson: There are no plans to do so at present. Nonetheless, Rules of Engagement, including those for the West Indies Guard Ship, are reviewed on a regular basis in the light of changing operational circumstances.

Chile

Mr. Maples: To ask the Secretary of State for Defence what meetings he or his ministers or officials had arranged, prior to 17 October, with representatives of the Chilean Navy; when such meetings were due to have taken place and where; and if the possible purchase by the Chilean Navy of British destroyers or frigates was to be discussed. [57523]

Mr. George Robertson *[holding answer 2 November 1998]:* Before 17 October, many regular and routine meetings took place between UK and Chilean officials on a range of defence matters both in the UK and Chile.

Representatives of the Chilean Navy were scheduled to meet my officials for exploratory discussions relating to their frigate replacement programme during a planned visit to the UK at the beginning of November. This will now not take place as originally planned.

Mr. Maples: To ask the Secretary of State for Defence what meetings he or his ministers or officials have had with representatives of the Government of Chile since 1 May 1997; what was discussed at each such meeting; who was present; and what agreements were reached. [57524]

Mr. George Robertson *[holding answer 2 November 1998]:* I, my Ministerial colleagues, the Chiefs of Staff and my senior officials have met Chilean Defence Ministers and Commanders in Chief on 21 occasions in the UK, Chile and elsewhere since 1 May 1997.

Discussions covered a wide range of matters of mutual defence interest, including defence exports. No formal agreements were concluded, although the two sets of annual defence cooperation talks established proposals for military assistance and defence cooperation over the forthcoming year. In addition, regular routine meetings have taken place between UK and Chilean officials on a range of defence matters.

Helicopters (Northern Ireland)

Mr. McNamara: To ask the Secretary of State for Defence what sums have been paid to farmers in Northern Ireland as compensation for livestock damaged by low-flying helicopters in each of the last 10 years; and what guidance is issued to helicopter pilots to minimise such damage. [56294]

Mr. Spellar: Prior to March 1994 the records relating to compensation paid out for damage to livestock by low-flying helicopters were maintained manually and to retrieve the information requested would, even if possible, involve disproportionate cost. However, figures for the total amount of compensation paid to claimants in Northern Ireland due to helicopter activity from April 1989 to March 1994 are set out.

	£
1 April 1989–31 March 1990	594,899
1 April 1990–31 March 1991	1,240,680
1 April 1991–31 March 1992	2,796,735
1 April 1992–31 March 1993	4,170,361
1 April 1993–31 March 1994	6,456,702

For the remainder of the 10-year period computer records show compensation paid out to claimants for damage to livestock as follows:

	£
1 April 1994–31 March 1995	5,743,922
1 April 1995–31 March 1996	1,426,424
1 April 1996–31 March 1997	442,040
1 April 1997–31 March 1998	460,021
1 April 1998–30 September 1999	184,953

The form in which the information is compiled does not indicate whether the claimants who received compensation payments were farmers. The figures also include elements of loss/damage to fencing, silage, land etc. To produce a breakdown of the individual amounts paid in each case to reflect the amount of compensation paid for animals only would again involve disproportionate cost.

The guidance issued to helicopter pilots with regard to minimising damage applies to all pilots, regardless of where they are serving, and is highlighted at an early stage of their training. Damage to crops and livestock can be caused only by low-flying. Pilots are reminded that, when such activity is necessary, whether due to prevailing operational commitment or weather constraints, appropriate action should be taken, in particular where there is a known or perceived sensitive area—for example, hospitals, stables etc.—to minimise the impact of their actions on the local community.

Mr. McNamara: To ask the Secretary of State for Defence how many helicopters are presently in use in Northern Ireland; and how many *(a)* flights took place, *(b)* flying hours were recorded and *(c)* complaints were received in each of the last three years. [56379]

Mr. George Robertson: There are currently 40 helicopters operated by the Royal Air Force, Army Air Corps and Royal Navy which have an operational tasking in Northern Ireland. Records of individual flights in the Province over the last three years are not maintained; however, 81,174 flying hours were recorded in the period concerned. These are as follows:

Dates	*Flying hours*
1 January 1996–31 December 1996	28,911
1 January 1997–31 December 1997	30,083
1 January 1998–30 September 1998	22,180

Formal records on complaints about military helicopters were not kept until the beginning of 1997. In that year 749 complaints were recorded, and at the end of August in the current year, 475 complaints had been recorded.

Surveillance Towers (Northern Ireland)

Mr. McNamara: To ask the Secretary of State for Defence if he will list the locations of British Army surveillance towers in Northern Ireland in (i) September 1994 and (ii) October 1998; and what plans he has to remove further towers from use in the next six months. [56394]

Mr. George Robertson: In September 1994 there were surveillance towers at 10 hilltop sites in the South Armagh area, 2 towers in Londonderry and 3 surveillance posts mounted on blocks of flats within Belfast. in October 1998 there were the same number of sites in South Armagh and Belfast, but only one in Londonderry, the other having been closed in 1995. In addition to surveillance towers, the security forces maintain a number of other structures which are used for a variety of observation purposes.

The security situation is kept under constant review and the configuration of the military infrastructure adjusted accordingly. However, there are no plans to withdraw any of the towers from use over the next 6 months.

British Forces (Northern Ireland)

Mr. McNamara: To ask the Secretary of State for Defence if he will list the British Army regiments currently deployed in Northern Ireland, indicating the number attached to each and the estimated duration of their tour of duty; and if he will make a statement on planned deployment during the next 12 months providing there is no unforeseen change in the security context. [56397]

Mr. George Robertson: The British Army Infantry Battalions—and one Royal Marine Commando—currently committed to Northern Ireland are listed in the table, along with their strength and planned tour length:

Unit	*Strength*	*Length of tour*
The 1st Battalion The Scots Guards	569	2 years—until March 2000
The 1st Battalion The Royal Welch Fusiliers	566	2 years—until August 2000
The 2nd Battalion The Light Infantry	623	2 years—until March 1999
The 1st Battalion The Royal Regiment of Fusiliers	605	2 years—until May 1999
The 1st Battalion The Queen's Lancashire Regiment	606	2 years—until December 1999
The 1st Battalion The Argyll and Sutherland Highlanders (Princess Louise's)[1]	609	2 years—until March 1999
42 Commando Royal Marines	577	6 months—until March 1999
The 1st Battalion The Staffordshire Regiment (The Prince of Wales)	552	6 months—until November 1998
The 12th Regiment Royal Artillery	403	6 months—until October 1998
The 1st Battalion The Royal Regiment of Wales—Prince of Wales Division	545	6 months—until December 1998
The 39th Regiment Royal Artillery[2]	277	6 months—until January 1999
The 1st Battalion The Highlanders (Seaforth, Gordons and Camerons) (Scottish Division)	510	6 months—until December 1998

[1] The 1st Battalion The Argyll and Sutherland Highlanders and the 39th Regiment Royal Artillery, respectively the Province Reserve Battalion and the Urban Reinforcement Battalion, are fully committed to Northern Ireland, although only one company of each was deployed in the Province at 30 September 1998. The 1st Battalion The Royal Regiment of Wales, the Rural Reinforcement Battalion, is also fully committed to Northern Ireland but was not deployed in the Province at that time.

Note:

Figures as at 30 September 1998

In addition, there are 6 Home Service battalions of the Royal Irish Regiment, totalling 4,431 soldiers, comprising both full-time and part-time members, which are wholly committed to service in Northern Ireland.The security situation is kept under constant review and the level of Army support to the Royal Ulster Constabulary adjusted accordingly in line with their requirements. However, it is the Department's policy not to disclose details of future deployments to the Province.

Mr. McNamara: To ask the Secretary of State for Defence what was the overall strength in September 1998 of British military forces in Northern Ireland broken down into numbers attached to the (i) Army, (ii) RAF, (iii) Royal Navy, (iv) RIR Home Service full-time and (v) RIR Home Service part-time. [56396]

Mr. George Robertson: The information requested is set out in the table:

	Strength
Army (General Service)	[1]10,873
Royal Air Force	1,152
Royal Navy	321
The Royal Irish Regiment (Home Service Full Time)	2,627
The Royal Irish Regiment (Home Service Part Time)	1,961
Total	16,934

[1] Includes the Province Reserve Battalion and the Urban Reinforcement Battalion which are fully committed to Northern Ireland although only one company of each was deployed to the Province as at 30 September 1998. Also includes the Rural Reinforcement Battalion which was committed but not deployed at that time

Note:

Figures as at 30 September 1998

Mr. McNamara: To ask the Secretary of State for Defence how many British Army and RIR barracks are maintained in Northern Ireland; if he will cost and itemise major works projects *(a)* completed over the last 12 months and *(b)* already under way, initiated or committed in the next 12 months. [56398]

Mr. George Robertson: There are currently 44 bases used by the British Army including the Royal Irish Regiment, in Northern Ireland which are occupied by a platoon or more of troops. These include bases which are exclusively military or which are shared with the RUC. It does not include RUC stations which have a token military presence, surveillance towers, observation posts, Permanent Vehicle Check Points (PVCPs), or patrol bases which were previously PVCPs.

A continual programme of maintenance and development exists to keep the Army estate in good operational order. Within the last 12 months 7 major works projects costing £300,000 or more have been completed at a total value of £21.415m. These projects were at the following locations:

£ million

Location	*Cost*
Thiepval Barracks	2.612
Massereene Barracks (3 projects)	13.821
Hollywood	2.253
Ballykinler	1.184
New Barnsley	2.545

There are currently 29 major works projects costing £300,000 or more, with a total value of £54.696m, under way, initiated or committed in the next 12 months. These projects are at the following locations:

£ million

Location	*Cost*
Ballykinler (4 projects)	4.067
Drumadd	0.960
Omagh (3 projects)	8.500
Ballykelly (3 projects)	3.570
Aldergrove (4 projects)	13.000
Hollywood (3 projects)	3.595
Kinnegar	2.500
Thiepval Barracks (7 projects)	14.080
Magilligan	3.174
Mahon Barracks (2 projects)	1.250

Guardsmen Fisher and Wright

Mr. McNamara: To ask the Secretary of State for Defence on what date, and at what level, the decision was taken to permit administrative facilities at *(a)* Wellington Barracks, *(b)* Catterick Barracks and *(c)* other premises within his responsibility to be used for (i) answering phone calls, (ii) replying to mail and (iii) other activities associated with the campaign for the release of guardsmen Fisher and Wright; and what was the cost to public funds. [56297]

Mr. George Robertson: The Fisher and Wright Release Group is an independent organisation which is run by former members of the Scots Guards and is not supported from public funds. The Group was not permitted the use of Army administration facilities in connection with its campaign, nor was assistance provided from any Army establishment.

The Group consists of former members of the Regiment who are entitled to enter the Scots Guards Regimental Headquarters. They thus held their initial meetings at Wellington Barracks in 1997. The Regimental Colonel subsequently directed that these meetings should cease to take place within the Headquarters. The Group has used a P.O. Box number as a point of contact since 10 July 1997 and has not held any further meetings at the Regimental Headquarters.

As the two Guardsmen are still members of the Scots Guards, its Regimental Headquarters has inevitably been a natural focal point for ex-Servicemen who wish to express their support for the Release Group's activities. Any telephone calls or letters that have been received for this purpose have, however, been immediately redirected to the Release Group.

My Department has also received a number of representations both in support of and against the Guardsmen.

Defence Intelligence and Security Centre, Chicksands

Mr. Baker: To ask the Secretary of State for Defence what is the cost of the refurbishment of the Priory at the Defence Intelligence and Security Centre at Chicksands; and if his Department has borne this cost. [57314]

Mr. Doug Henderson: The Defence Intelligence and Security Centre (DISC) is based at Chicksands. The cost of refurbishing the Priory Officers' Mess at DISC is currently forecast at £4.731 million, and is being met by my Department.

Mr. Baker: To ask the Secretary of State for Defence how many American visiting forces are based at the Defence Intelligence and Security Centre at Chicksands; and for what purpose. [57315]

Mr. Doug Henderson: There are 10 US personnel attached to the Defence Intelligence and Security Centre at Chicksands to support training and exercises, particularly where there is a mutual US/UK interest. Some may deploy on operations where there is a combined national interest, subject to approval from the respective governments.

Force Research Unit (Northern Ireland)

Mr. McNamara: To ask the Secretary of State for Defence if he will review the application of exemption 1 of the Code of Practice on Access to Government Information in respect of Questions concerning expenditure and staffing levels of the Force Research Unit in Northern Ireland. [56400]

Mr. George Robertson: I have reviewed the application of the exemption in this case and I am satisfied that this information should continue to be withheld under the terms of the Code of Practice.

TREASURY

Capital Gains Tax

Mr. Letwin: To ask the Chancellor of the Exchequer if it is his policy retrospectively to increase the rate of capital gains tax for funded unapproved retirement schemes from 23 per cent. to 34 per cent. [58255]

Dawn Primarolo: This capital gains tax change is not retrospective. It is normal practice for capital gains tax reforms to apply to gains realised after the date of announcement of the changes.

Tobacco

Mr. Whittingdale: To ask the Chancellor of the Exchequer what is the total revenue receipts by month so far this year from excise duties on tobacco; and what is his forecast for total receipts for 1988–99. [58208]

Dawn Primarolo: The amounts of revenue receipts by month this year are as follows:

Excise duty

	£ million
January	33
February	42
March	105
April	1,635
May	18
June	49
July	101
August	269
September	469
Total	2,721

The total tobacco revenue forecast for 1998–99, published in the March 1998 Financial Statement and Budget Report, is £8.9 billion.

Duty-Free Sales

Mr. Whittingdale: To ask the Chancellor of the Exchequer what rules will apply for sales on ferries of goods bought at port of loading following the abolition of duty free sales inside the European Union. [58209]

Dawn Primarolo: The arrangements which will apply for sales of goods on board ferries, for passengers to take away, following the abolition of intra-EU duty free sales are still being considered. The Commission recently set out, in a press release, their thinking on how the successor regime will work and the Government are giving very careful consideration to this. It is based on the existing provisions of Council Directive 92/12/EEC. At the EU Excise Committee meeting on 1 October the UK reserved its position to allow time for a full appraisal of the Commission's position.

Mr. Whittingdale: To ask the Chancellor of the Exchequer what discussions he has had with European partners about the tax regime which will apply after the abolition of duty free sales inside the European Union. [58210]

Dawn Primarolo: The last time that the abolition of intra-EU duty free sales was discussed at a political level with EU partners was at the ECOFIN Council meeting on 19 May 1998 where a number of Finance Ministers made it clear that they opposed any re-opening of the decision to abolish. Subsequent discussions, on the operation of the successor regime, have been at official level in the Commission chaired EU Excise Committee. Customs and Excise are also entering into a bi-lateral and multi-lateral discussions with a number of other member states to work through the detail of how a successor regime might work in practice.

Working Groups

Mr. Caplin: To ask the Chancellor of the Exchequer if he will make a statement about the reports of the Treasury-sponsored working groups on *(a)* the financing of high technology companies and *(b)* smaller quoted companies. [58338]

Mr. Geoffrey Robinson: These two working groups have now reported to me and I have today placed copies of their reports in the Libraries of both Houses, and they are available on request from the Treasury's Inquiry Unit.

Corporation Tax

Mr. Gibb: To ask the Chancellor of the Exchequer if he will make it his policy to veto all EU proposals regarding the harmonisation of corporation tax rates. [58204]

Dawn Primarolo *[holding answer 2 November 1998]:* Direct tax is primarily a matter for Member States at national level. Decisions on European tax issues are subject to unanimity. The Government will have no hesitation in using the veto when it is in the UK interests to do so.

Age Concern (VAT)

Mr. Bob Russell: To ask the Chancellor of the Exchequer, pursuant to his answer of 26 October 1998, *Official Report*, column *43*, if he will permit Age Concern, Essex to defer implementing value added tax on its home support service pending the review by Her Majesty's Customs and Excise of such levies. [58089]

Dawn Primarolo: Customs are now consulting interested parties to agree the circumstances in which home support services will be exempt from VAT as charity welfare services. Charities including Age Concern, Essex should not anticipate the outcome of the consultation, but where they have paid VAT on services which are subsequently determined to be exempt, they may reclaim the overpaid tax from Customs subject to the normal rules.

INTERNATIONAL DEVELOPMENT

Albania

Mr. Flynn: To ask the Secretary of State for International Development what assistance has been provided to Albania in the past five years; and what assessment she has made of its impact. [56918]

Clare Short: UK Government assistance to Albania began in 1993 and has focused on the regulation of capital markets, rural development, health reform, good government and the development of civil society. We have also provided assistance to Albania through contributions to multilateral organisations such as the EU, and during last year's disturbances we provided significant emergency assistance.

Early in 1997 there was a hiatus in bilateral assistance to Albania due to civil disturbances. Since then the programme has been restarted and it is focusing on strengthening governance and civil society, rural development and health reform.

Figures for UK bilateral and multilateral assistance are as follows:

Bilateral:

Year	*(£)*
1998–99	[1]800,000
1997–98	749,104
1996–97	1,038,000
1995–96	1,093,000
1994–95	1,153,447
1993–94	861,113

[1] forecast

Multilateral: (UK share)

Year	*Total (£)*	*Of which EC*
1997	[1]—	[1]—
1996	7,800,000	5,900,000
1995	6,100,000	3,900,000
1994	5,400,000	3,100,000
1993	14,560,000	13,100,000

[1] not yet available

We shall be assessing the overall impact of past assistance as we develop future programmes of assistance in the region.

Cash Limits

Mrs. Mahon: To ask the Secretary of State for International Development what changes will be made to the cash and running costs limits for her Department in 1998–99. [58027]

Clare Short: Subject to Parliamentary approval of the necessary Supplementary Estimate, the cash limit for Class III, Vote 1 will be increased by £12,607,000 from £1,620,700,000 to £1,633,307,000 and the running cost limit will be increased by £3,893,000 from £62,135,000 to £66,028,000.

	£
Rollover of underspend on 1997–98 cash limit	11,221,000
Partial take up of running costs end of year flexibility carryforward	1,893,000
Outward PES transfer to the Foreign and Commonwealth Office (Class II, Vote 2)	507,000
Increase in Vote Cash limit	12,607,000

The increase on the running cost limit is in respect of the take up of end of year flexibility carryforward as announced by the Chief Secretary to the Treasury on 14 July 1998, *Official Report*, columns *131–36*, and a transfer of resources of £2,000,000 from the Unallocated subhead.

The increases will be offset by transfers and a claim on the Reserve and therefore will not add to the planned total of public expenditure.

Commonwealth Development Corporation

Mr. Purchase: To ask the Secretary of State for International Development what proposals she has to change the 1998–99 External Finance Limit for the Commonwealth Development Corporation. [58407]

Clare Short: The External Finance Limit for CDC for 1998/99 will be increased by £15,000,000 from minus £15,000,000 to zero. Advances to CDC in the current financial year will total £35,919,000 equal to loan repayments by CDC, achieving net zero financing in 1998/99. The increase will be offset within DFID's existing provision and will not therefore add to the planned total of public expenditure.

Renewable Energy Projects

Mr. Gareth R. Thomas: To ask the Secretary of State for International Development if she will list the funding allocated for renewable energy projects for each of the last five years by country. [56928]

Clare Short: Developing renewable energy was part of the former ODA's energy strategy. Renewable energy then featured in the Development White Paper, as it has a clear contribution to make to our sustainable livelihoods and environmental protection objectives.

A table listing the funding allocation for renewable energy projects over the last five years follows. This includes projects funded by Aid and Trade Provision and Joint Funding Scheme. Large scale hydro power (above 1MW) projects are not included in the table, however, as they are not covered by the accepted definition of renewable energy.

ODA/DFID funding allocated to renewable energy projects

£

	1998/99	*1997/98*	*1996/97*	*1995/96*	*1994/95*	*Total*
Bangladesh	—	21,979	82,972	17,405	—	122,356
China	86,344	49,380	44,900	41,275	37,526	259,425
Ethiopia	79,250	14,518	159,331	65,050	—	318,149
Ghana	40,000	36,678	—	—	—	76,678
Honduras	—	—	—	20,230	12,720	32,950
India	42,680	103,595	158,810	79,905	25,795	410,785
Indonesia	42,118	1,387,524	2,078,631	979,867	201,072	4,689,212
Kenya	46,930	46,875	10,600	11,300	107,674	223,379
Nepal	71,145	46,915	61,649	49,188	44,000	272,897
Peru	204,830	291,250	90,227	45,142	68,726	700,175

ODA/DFID funding allocated to renewable energy projects

£

	1998/99	1997/98	1996/97	1995/96	1994/95	Total
Philippines	—	—	23,100	17,875	—	40,975
South Africa	46,980	50,300	29,156	9,000	—	135,436
Sri Lanka	75,143	83,333	61,636	117,360	137,504	474,976
Tanzania	59,765	274,649	153,713	11,300	—	499,427
Thailand	241,530	1,098,866	957,391	218,837	518,774	3,035,398
Uganda	79,300	18,625	10,600	11,300	—	119,825
Vietnam	—	—	23,100	17,875	—	40,975
Zimbabwe	99,242	100,817	73,141	73,949	32,277	379,426
UK	—	—	64,765	—	110,476	175,241
International	31,504	14,363	241,996	373,008	26,940	687,811
Total	£1,215,257	3,625,304	4,083,722	1,786,858	1,296,544	12,007,685

ENVIRONMENT, TRANSPORT AND THE REGIONS

Genetically Modified Organisms

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions by what methods the Environment Agency record facilities which use genetically modified organisms in industrial processes and which may release these organisms in waste streams; what is the location of the facilities; and what genetically modified substances are produced. [56332]

Mr. Meacher *[holding answer 26 October 1998]:* The Environment Agency is required by section 64 of the Environmental Protection Act 1990 to maintain a register of waste management licences which it has issued for the recovery or disposal of waste. The register is open for inspection by members of the public free of charge. The information which must be included on the register is set out in regulation 10 of the Waste Management Licensing Regulations 1994. It is not possible separately to identify from the register those facilities which dispose of waste derived from GMOs as opposed to other types of waste.

Under separate legislation, the Genetically Modified Organisms (Contained Use) Regulations 1992 (as amended in 1996 and 1998), all premises which undertake activities with GMOs in containment are notified to the Health and Safety Executive (HSE). The Contained Use Regulations also require that all GMOs which have a potential to cause harm to humans or the environment are inactivated before they are disposed of. There is no explicit requirement to inactivate those GMOs which would not cause harm and which would have limited survival in the environment. However, there is a requirement that physical barriers are in place. It is HSE's experience that users of large scale facilities routinely inactivate all GMOs prior to disposal.

There are 34 large scale facilities notified to HSE, although not all of these are necessarily undertaking large scale work at this time. A list of these will be placed in the Library of the House. Not all of these large scale facilities are for industrial production. Some undertake only research. HSE does not hold the data requested on all large scale activities undertaken. The data that are held are not in an easily retrievable form and where the substance produced is not a live GMO this falls outside of the scope of the Contained Use Regulations. Therefore, I regret that I cannot give a list of the genetically modified substances produced.

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what acreage of land used as trial sites for GM crops is currently under cultivation. [57225]

Mr. Meale: There are approximately 717 acres of land currently under cultivation with trials of GM crops in the UK.

Bypasses

Mr. Blizzard: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement in his policy regarding the need for bypasses of villages and small market towns. [56727]

Ms Glenda Jackson: Our policies for management and investment in the trunk road network are set out in *A New Deal for Trunk Roads in England*. Traffic calming schemes can bring environmental benefits to local communities by reducing speeds and improving safety. But in some cases the volume of traffic passing through a town or village may be such that the only way of improving the environment significantly is to remove traffic by building a bypass.

Private Finance Initiative

Mr. Alan Simpson: To ask the Secretary of State for the Environment, Transport and the Regions what proposals his Department has to ensure a more efficient processing of PFI projects. [56931]

Mr. Meale: My Department is working with the Treasury Taskforce in implementing the recommendations of the Bates Review for streamlining the Private Finance Initiative.

Regulations have been amended to help facilitate local government PFI schemes and an explanatory note on PFI and Public/Private Partnerships in local government was issued in September. The Department has strengthened its private finance unit, which plays a central co-ordinating and advisory role. We shall continue to liaise with local government representatives and the Public Private Partnerships Programme about procedures for handling applications for revenue support.

Sprinklers

Dr. Cable: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to amend the building regulations to require the installation

of sprinklers as a fire precaution in *(a)* residential accommodation, *(b)* schools and other education buildings, *(c)* offices and *(d)* hospitals. [57184]

Mr. Raynsford: The guidance given in the Approved Document to Part B on how to comply with the Requirements of Part B of the Building Regulations, which deals with fire safety, is currently under review. However, there are no plans to amend the fire safety requirements in Part B of the Building Regulations for the installation of sprinklers on buildings of this type.

Designated Beaches

Mr. Ivan Henderson: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the criteria that have to be met before a local authority can apply for a beach to be designated under the European Bathing Directive. [57072]

Mr. Meale: The Bathing Water Directive defines 'bathing water' as running or still fresh water and sea water in which bathing is not prohibited and is traditionally practised by a large number of bathers. The Government also takes into consideration, as evidence that the waters are well used by bathers, the existence of facilities associated with popular bathing areas.

Water Meters

Mr. Ivan Henderson: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the privatised water companies currently providing water meters free of charge to customers who wish to transfer to a metered tariff. [57071]

Mr. Meale: According to the Director General of Water Services' "1998–99 report on tariff structure and charges" (a copy of which is in the Library) the following water undertakers in England and Wales provide meters free of charge to their domestic customers where they are [illegible] in the company's preferred location: Anglian Water, Bournemouth and West Hants Water, Bristol Water, Dee Valley Water, Essex and Suffolk Water, Folkestone and Dover Water, Hartlepool Water, Mid-Southern Water, Severn Trent Water, South East Water, Sutton and East Surrey Water, Thames Water and Wessex Water.

Radioactive Waste

Mr. Llew Smith: To ask the Secretary of State for the Environment, Transport and the Regions what discussions he, other Ministers or officials of his Department have had with his Italian counterparts concerning the availability of storage capacity in Italy for reprocessing radioactive wastes to be returned from the United Kingdom. [57093]

Mr. Meale: My Department has no record of any such discussions. I refer my hon. Friend to the Parliamentary Answers given by my hon. Friend the Minister for Energy and Industry on 10 June 1997, *Official Report*, column *415*, and 5 February 1998, *Official Report*, column *787*.

Mr. Llew Smith: To ask the Secretary of State for the Environment, Transport and the Regions what communications his Department has with the relevant authorities in the countries from which the United Kingdom has imported spent fuel for reprocessing at *(a)* Sellafield and *(b)* Dounreay, in respect of (i) the provisions to return reprocessing wastes and (ii) the capacity in each country to store returned radioactive waste. [57092]

Mr. Meale: My Department has no specific communications on these issues, with the relevant authorities in the countries concerned.

Mr. Llew Smith: To ask the Secretary of State for the Environment, Transport and the Regions when he expects to respond to the advice on the scope and contents of the core scientific research programme on intermediate level radioactive waste published by the Government's Radioactive Waste Management Advisory Committee in October. [57100]

Mr. Meale: Government policy on intermediate level radioactive waste, including the nature of the associated scientific research programme, will be considered when informed by the conclusions of the House of Lord's Select Committee on Science and Technology's inquiry into nuclear waste management. The advice of the Radioactive Waste Management Advisory Committee will be taken into account at that time.

Sellafield

Mr. Llew Smith: To ask the Secretary of State for the Environment, Transport and the Regions (1) what is his Department's planned timetable for the assessment of the Environment Agency decisions on the proposed variations to BNFL's authorisations to discharge liquid and gaseous radioactive waste from Sellafield; [57103]

(2) if he will publish the unredacted version of the PA Consulting report on the business case for the Sellafield mox nuclear fuels plant submitted to the Government by the Environment Agency. [57104]

Mr. Meacher: The Agency's draft determination was received today on 2 November. Requests have been received for the Secretary of State to call in the application for his own determination. These requests are under careful consideration and the Secretary of State will reach a decision as soon as he is able to do so. One of the issues raised in the call in requests, which the Secretary of State will consider, is whether sufficient information has been released into the public domain to allow consultees to comment on the application.

Mr. Chaytor: To ask the Secretary of State for the Environment, Transport and the Regions (1) what consideration he will give to the health, environmental and proliferation implications of further moves towards the full operation of the British Nuclear Fuels Mixed Oxide Fuel Plant at Sellafield in his assessment of the Environment Agency's proposed decision on the plant; [57221]

(2) if he will make a statement on the proposed decision by the Environment Agency to allow the British Nuclear Fuels Mixed Oxide Fuel Plant at Sellafield to proceed to the next stage of commissioning. [57222]

Mr. Meacher *[holding answer 29 October 1998]:* The Agency's draft determination was received on Monday 2 November. Requests have been received for the Secretary of State to call in the application for his own determination. These requests are under careful consideration. In deciding whether to exercise the

statutory powers of call in all relevant factors will be taken into account. The Secretary of State will reach a decision as soon as he is able to do so.

Teesside Development Corporation

Dr. Kumar: To ask the Secretary of State for the Environment, Transport and the Regions how *(a)* computers and *(b)* CD-Roms were disposed of after the demise of Teesside Development Corporation in April. [57613]

Mr. Meale: Although the Teesside Development Corporation ceased its operational activities at the end of March, it continued in existence until the end of June in order to produce its final report and accounts and wind up its affairs. I understand that the Corporation disposed of its computer equipment during that final three-month period, after inviting competitive bids and having wiped clean the disks, as part of a packaged disposal of its office furniture and equipment.

Land Use Database

Mr. Pike: To ask the Secretary of State for the Environment, Transport and the Regions what proposals the Government have to provide resources to councils to enable the setting up of the National Land Use Database proposed in the White Paper, Planning for the Communities of the Future; and if he will make a statement. [57416]

Mr. Raynsford: The Government are committed to raising the proportion of new homes expected to be built on previously developed land to 60 per cent. over the next ten years. The National Land Use Database (NLUD) is important to the achievement of that objective.

Comprehensive information about the amount of land devoted to different uses is not currently collected in any nationally consistent way. This new database, which my Department is developing in partnership with the Local Government Management Board, Ordnance Survey, English Partnerships and local authorities, will eventually comprise a definitive database of land use in England, in a form that can readily be kept up to date.

For the first phase, results for which will be available in April, local authorities have been asked to provide information on previously developed sites in their area that may be available for redevelopment for new housing or other uses. This information will assist in the setting of regional targets for the re-use of previously developed land for housing, as announced in the policy document "Planning for the Communities of the Future".

With our partners in NLUD, we have taken a number of steps to assist local authorities in providing the information. These include:

workshops—6 workshops have been arranged across the country to discuss with local authorities practical issues about the compilation of the database;

database—each local authority will be given a copy of a customised database, to help them in capturing the information;

surveyors—English Partnerships will be contracting surveyors to visit each local authority to assist them in drawing up their lists of sites;

Geographic Information System (GIS) tools—suppliers of GAS software to local authorities are being encouraged to develop tools to assist local authority staff to capture site boundaries in computer form;

helpline—there is a dedicated helpline for local authorities to call if they have queries.

In addition, we recognise the tight timetable for supply of the data and have extended the deadline to early February 1999.

This initiative has the full support of the Local Government Association and will be an invaluable resource to local authorities in the future.

Packaging (Recovery)

Dr. Whitehead: To ask the Secretary of State for the Environment, Transport and the Regions (1) how many prosecutions of eligible companies failing to register under the terms of the packaging recovery note provisions have taken place since the scheme was introduced; [57602]

(2) how many companies have registered under the terms of the packaging recovery note provisions in each of the years of its operation. [57601]

Mr. Meale: Under the provisions of the Producer Responsibility Obligations (Packaging Waste) Regulations 1997 eligible businesses have obligations to:

to register with the relevant Environment Agency (Environment Agency or Scottish Environment Protection Agency) or join a registered compliance scheme, provide packaging data, and pay a fee by a specified date (1 April);

to recover and recycle specified tonnages of packaging waste and to certify to the relevant Agency that the recovery and recycling obligations have been complied with. The obligation to recover and recycle packaging waste took effect from 1 January 1998 and evidence of compliance with the 1998 targets must be submitted by 31 January 1999.

Obligated businesses are able to demonstrate compliance with the Regulations by obtaining a Packaging Waste Recovery Note (PRN) from an accredited reprocessor or by following the alternative approach to compliance set out in the Agencies' guidance. So far the Environment Agency has approved 191 companies as accredited reprocessors.

The Environment Agencies have a duty to monitor compliance with the Regulations. Businesses that fail to comply with the Regulations may be subject to prosecution by the Agencies. The Environment Agency views particularly seriously the non-registration of obligated businesses. The Environment Agency is carrying out a programme of visits and follow-up inquiries to companies which it believes may need to be registered. Where this has been established, the business has registered.

However, the Agency's announcement of 23 October, copies of which are being placed in the Library, clearly warns businesses that prosecutions will now follow after a 7 November deadline for 1998 registrations.

In 1997 there were 3,839 businesses registered under the terms of the Regulations. In 1998 there are 3,813 registrations to date. When account is taken of the subsidiary businesses covered by the registration of a group of companies, the number of businesses covered by registration is 8,832 businesses.

Local Government White Paper

Mr. Willis: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to allow local democratically elected authorities to agree alternative structures for political leadership other than those proposed in the Government's local government White Paper. [57683]

Mr. Raynsford: Within the 3 models proposed in the White Paper—directly elected mayor with cabinet, cabinet with a leader, and directly elected mayor and council manager—the scope for local diversity is great. If practice subsequently points up the possibility of other further valuable models for separating out the executive from the scrutiny role, the Government intend to provide for them to be available to local authorities.

Mr. Willis: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to extend the additional powers and freedoms proposed for the beacon councils to all democratically elected councils in England and Wales. [57676]

Ms Armstrong: Beacon councils will be a key driver in modernising local government, setting the pace of change, and acting as a test bed for new freedoms and flexibilities. The transfer of freedoms and flexibilities to other councils will be considered in the light of experience by beacons. We will consult widely before establishing the scheme for beacon councils.

English Nature

Mr. Brake: To ask the Secretary of State for the Environment, Transport and the Regions what steps he has taken to ensure that no conflict of interest arises as a result of the Chairman of English Nature being also a non-executive director of a water company; and if he will make a statement. [57898]

Mr. Meale *[holding answer 2 November 1998]:* Baroness Young was required to seek consent from the Minister to join the Board of Anglican Water. The Minister gave his consent noting that Baroness Young's predecessor combined both posts without difficulty, and there are adequate provisions for dealing with conflicts of interest in English Nature's Council's Code of Practice.

National Air Traffic Services Ltd.

Mr. Colvin: To ask the Secretary of State for the Environment, Transport and the Regions if he will list those organisations with which he has had discussions during the consultation on his paper, a Public Private Partnership for National Air Traffic Services Ltd.; and when he expects to reach his conclusions. [57915]

Dr. Reid: The Government published a consultation paper on their preferred option for National Air Traffic Services Ltd. on 20 October 1998 and responses to the paper have been requested by 31 January 1999. We will take account of the views expressed when reaching final decisions on the proposal early next year.

Since the consultation paper was published there have been no discussions with interested parties on the issues raised in the paper. I have, however, given evidence to the Transport Sub Committee and propose to have a meeting shortly with representatives of the CAA and NATS Trade Unions.

Energy Efficiency

Mr. Stunell: To ask the Secretary of State for the Environment, Transport and the Regions if he will list *(a)* the statutory bodies and agencies which receive Government funding to promote energy efficiency and *(b)* the level of funding each received in the last year for which figures are available. [57907]

Mr. Meale: In 1997–98, the Government provided funding to 6 organisations to carry out programmes promoting energy efficiency. None is a statutory body or agency. Details of the funding they received are as follows:

Organisation	*£ million*
BRECSU (Energy Efficiency Best Practice programme)	7.9
ETSU (Energy Efficiency Best Practice programme)	7.8
EAGA Ltd. (Home Energy Efficiency Scheme)	74.3
Energy Action (Scotland)	0.1
NEA	0.7
Energy Saving Trust	19.7

Mr. Stunell: To ask the Secretary of State for the Environment, Transport and the Regions how much his Department spent on the promotion of energy efficiency in the United Kingdom in each of the last three years. [57906]

Mr. Meale: The funding made available by my Department on programmes to promote energy efficiency across all sectors in the United Kingdom in the years 1995–96, 1996–97 and 1997–98 is set out as follows:

1995–96: £128.5 million

1996–97: £116.0 million

1997–98: £110.5 million.

Under the government's Comprehensive Spending Review, my Department's spending on programmes to promote energy efficiency is planned to rise to a total of £222.6 million in 2001–02.

Road Traffic Reduction

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions if it is his policy to secure a reduction in road traffic levels over the next three years. [57710]

Ms Glenda Jackson: The Government made clear in the recent White Paper "A New Deal for Transport: Better for Everyone" that, in order to tackle the congestion and pollution that is caused by road traffic, we need to reduce the rate of road traffic growth. We also said that we want to see an absolute reduction in traffic in those places and streets where the greatest environmental damage is done. The White Paper set out how we plan to achieve these objectives through integrated transport policies acting at the national and local level.

The first reports contained assessments of how, and over what time scale, our policies are expected to impact on road traffic will be produced during 1999. The Road Traffic Reduction Act 1997 obliges each local traffic authority to produce a report assessing existing and forecast levels of traffic on those roads for which it is the highway authority, and the results of its consideration of whether or not to set targets for road traffic reduction on

local roads in its area. We expect local authorities to submit the first, non-statutory interim, reports in July 1999 as part of their provisional local transport plans. In the light of these interim reports and plans, analysis of the impact of other measures we are proposing on road traffic, and advice from the independent Commission for Integrated Transport which we will be setting up, we will produce our first report under the Road Traffic Reduction (National Targets) Act 1998 on the question of national targets for road traffic reduction by the end of 1999.

Catalytic Converters

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the impact of catalytic converters on the levels of plutonium in the air; what recent studies have been carried out to establish those levels; and if he will make a statement. [57226]

Mr. Meale: Catalytic converters are not expected to have any effect on the levels of plutonium in air. However, they do contain platinum group metals. My Department commissioned a report from the Imperial College of Science, Technology and Medicine in 1994 on the levels of these metals in the UK environment. The report concluded that there is no evidence of risks to human health from the use of platinum group metals in vehicle catalytic converters.

Local Authorities (Guidance)

Mr. Burstow: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to issue guidance to local authorities to assist them in reviewing their decision-making structures in advance of legislation to give effect to his White Paper proposals. [57781]

Mr. Raynsford: The Government welcomed the publication on 21 September by the Local Government Association of such a document entitled "Modernising Political Management Arrangements—Options within the Existing Legislative Framework".

Revenue Support Grant

Mr. Burstow: To ask the Secretary of State for the Environment, Transport and the Regions if he will set out for each year from 1992–93 to 1998–99 the *(a)* amount of RSG, *(b)* real value of RSG in April 1998 prices, *(c)* proportion of the RSG that reflects demographic and other volume changes and *(d)* proportion of RSG that accounts for new responsibilities. [57783]

Ms Armstrong: The following table sets out total Revenue Support Grant (RSG) paid to English local authorities between 1992–93 and 1998–99 in cash, and in real terms at 1998–99 values using the GDP deflator.

Revenue Support Grant (RSG)

£ million

Year	*RSG Cash*	*RSG Real terms*
1992–93	16,679	19,450
1993–94	17,052	19,371
1994–95	18,497	20,715
1995–96	18,314	19,931
1996–97	18,024	19,030
1997–98	18,675	19,217
1998–99	19,500	19,500

The total of all local authorities' Standard Spending Assessments (so-called "net Total Standard Spending", or "net TSS") is that portion of local authority expenditure which the Government wish to support through general grants such as Revenue Support Grant. In deciding net TSS, we take into account relevant demographic and other volume changes affecting local authority services, as well as new local authority responsibilities, the scope for efficiencies, and the amount the country as a whole can afford. Because the settlement represents our assessment of local government spending needs in the round, it is not possible to say how much has been included either for particular, or in total for, new responsibilities and other pressures.

Area Committees

Mr. Burstow: To ask the Secretary of State for the Environment, Transport and the Regions if he will make it his policy to allow local authorities which choose to establish area or neighbourhood committees to delegate decision-making on matters concerning their locality. [57782]

Mr. Raynsford: Bringing councils closer to the people and empowering local communities is at the heart of our policies. We believe the new political management structures proposed in our White Paper—"Modern Local Government—In touch with the people" (Cm 4014)—will ensure councils are best able to take decision which are open, accountable, and meet the needs of all their local neighbourhoods and communities.

Low-energy Lightbulbs

Mr. Chaytor: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to encourage the use of low-energy lightbulbs. [57669]

Mr. Meale: The energy efficiency of lighting is a significant environmental issue, given that lighting accounts for about a fifth of the electricity consumed in the UK. Research carried out for my Department suggests that there is economic and technical potential to save 32 per cent. of that energy. The Government already support a wide-ranging programme of measures, at national and European level, to encourage energy efficient lighting; and consultation is under way about further ways of delivering the potential savings.

At a national level, our Energy Efficiency Best Practice Programme provides valuable guidance to building professionals on cost-effective, energy efficient lighting measures. In addition, we are currently reviewing provisions in the Building Regulations to see, amongst other things, how standards of lamp efficacy, lighting system control and encouragement of better use of

daylight might be improved, for both new buildings and existing ones. Promotion of energy efficient lighting is carried out by the Energy Saving Trust, both through its overall "Energy Efficiency" campaign and through a new project, "Lightswitch", aimed at the non-domestic sector.

At EU level we continue to support common and co-ordinated policy measures to provide product information, raise product standards and facilitate the procurement of energy efficient lighting products. This activity is closely informed by the Market Transformation Programme, which we run in the UK to research the trends in the market and to consult with a full range of stakeholder groups about possible measures for hastening improvements in performance. An important next phase of the action coordinated at EU level will be the introduction of mandatory energy labels for light bulbs, on which we plan to have UK Regulations in place next June.

While continuing work of this kind to promote the uptake of more efficient lighting equipment, we shall also continue to promote general messages about using lights more efficiently, through my Department's "Are You Doing Your Bit?" campaign.

Windfarm (Lambrigg)

Mr. Collins: To ask the Secretary of State for the Environment, Transport and the Regions if he will call in the planning permission granted by South Lakeland District Council for a windfarm at Lambrigg, Cumbria. [57865]

Mr. Raynsford: I am currently considering whether the planning application should be called in. I will ensure that the hon. Member is notified of the decision as soon as possible.

Rural Action

Mr. Letwin: To ask the Secretary of State for the Environment, Transport and the Regions if he has received options from the Rural Action National Steering Group on the future funding of Rural Action. [58267]

Mr. Meale: No, but we understand that the contractor for the Rural Action National Steering Group has prepared a draft Business Plan setting out a strategy for the future of Rural Action and proposals for its funding. The draft is under consideration by The National Steering Group.

Road Noise

Mr. Letwin: To ask the Secretary of State for the Environment, Transport and the Regions what studies into the potential for reducing noise from roads in residential areas he undertook during the preparation of the roads White Paper. [58245]

Ms Glenda Jackson: A *New Deal for Trunk Roads in England* confirmed that we will continue to develop noise reducing surfaces. Account was taken of recent developments in road surfacing technology but no new studies were undertaken.

Rating Review (West Dorset)

Mr. Letwin: To ask the Secretary of State for the Environment, Transport and the Regions if he will assess the effects on business in West Dorset of a rating review for non-domestic rates, conducted in 2000, but based on rental values of April 1998; and if he will make a statement. [58243]

Mr. Raynsford: The next non-domestic rating revaluation in England will come into force on 1 April 2000 and will be based on rental values at 1 April 1998. The revaluation will not be completed until late 1999, and therefore, it is too early to predict its effects on business in West Dorset.

Parish Trustees

Mr. Letwin: To ask the Secretary of State for the Environment, Transport and the Regions if it is his policy to encourage trustees under any circumstances to act under the Local Government Act 1972, section 13(3) and section 13(4) in the absence of a direction being given by the relevant parish meeting. [58222]

Mr. Raynsford: The appointment of Parish trustees, who are simply the depository of the title to parish property, is a matter for the parish meeting. A judgment of the Court of Appeal has indicated that they may take steps appropriate for the protection of parish property provided that those steps are not in conflict with any direction given by the parish meeting.

Motor Vehicles (Imports)

Mr. Alasdair Morgan: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to allow an increase in the number of personal imports of motor vehicles from outwith the EU. [57938]

Ms Glenda Jackson: A public consultation began on 14 October about proposals to alter the existing arrangements for importing cars and light goods vehicles that have not been type-approved in the EU. We propose to tighten the personal import rules, so that only individuals who have lived abroad for at least 12 months, and have used the vehicle there for at least six months, will be able to use the current Single Vehicle Approval (SVA) inspection. For other non type-approved imports, we propose an end to the fixed limits on the number of vehicles of any one model that may enter service, coupled with an enhanced SVA inspection of the key safety, security and environmental standards that have to be met before the vehicle can be licensed and registered. These enhanced standards are broadly equivalent to EU type-approval but can still be applied at reasonable cost. The proposed measures are designed to improve the choice of vehicles available to consumers, whilst maintaining the safety and environmental standards appropriate for use in Britain.

Wild Boar (West Dorset)

Mr. Letwin: To ask the Secretary of State for the Environment, Transport and the Regions if he will take steps to eliminate feral populations of wild boar in West Dorset. [58247]

Mr. Meale: Whilst we are keeping the situation under review, the small numbers of animals estimated at present to be in Dorset are not believed to pose any immediate threat to health, safety or native biodiversity. Therefore, there are no plans to eradicate the animals.

Cash Limits

Mr. Dismore: To ask the Secretary of State for the Environment, Transport and the Regions what proposals he has to change his Department's cash limits and running cost limits for 1998–99. [58337]

Mr. Prescott: Subject to Parliamentary approval of the necessary Supplementary Estimates, my Department's cash limits will change as follows. All references to the take-up of end year flexibility refer to the Chief Secretary to the Treasury's announcement of 14 July 1998, *Official Report*, columns *131–36*.

(i) the cash limit for Class VI, Vote 1—Housing, construction, regeneration, countryside and wildlife, England—will be reduced by £9,200,000 from £1,801,539,000 to £1,792,339,000. This decrease is the result of reducing spending on private sector renewal on Section P. It will allow an increase in provision by £9,200,000 on the cash limit for Class VI, Vote 13—Ordnance Survey.

Paragraph 5 of the introduction to the 1998–99 Main Estimate for Class VI, Vote 1 says that the Urban Regeneration Agency will surrender to the Consolidated Fund any receipts in excess of £11.6 million. The figure should have read £116 million.

(ii) the DETR/LACAP(E) (Local Authority Capital—Environment) non voted cash limit will be increased by £3,234,000 from £924,998,000 to £928,232,000 to allow further Supplementary Credit Approvals to be issued to local authorities to enable funding of additional Cash Incentive Scheme grants. The increase results from the take-up of end year flexibility.

(iii) the cash limit for Class VI, Vote 2—Planning, roads, local transport and vehicle safety—will be reduced by £3,425,000 from £364,579,000 to £361,154,000. The reduction arises from the take-up of £172,000 capital end year flexibility and an increase of £36,403,000 to provide for the write-off of debt owed by the Humber Bridge Board to the Public Works Loan Board, less an inter vote transfer from this vote to Class VI, Vote 6, of £40,000,000 reflecting London Transport's responsibility for the Croydon Tramlink project.

(iv) the cash limit for Class VI, Vote 3—Environmental protection and water—will be increased by £537,000 from £334,237,000 to £334,774,000. The increase results from the take up of the £582,000 capital end year flexibility to increase grant in aid to the British Waterways Board; and an inter vote transfer of £147,000 from Class XVII, Vote 1 (Property Advisers to the Civil Estate) to increase grant in aid to the Environment Agency to pay for additional accommodation costs; offset by inter vote transfers from this vote to Class XIII, Vote 3 and Class XIV, Vote 2 for the Scottish and Welsh regional energy efficiency offices (£40,000 and £44,000); to Class XIII, Vote 3 for grant to Energy Action Scotland (£24,000); and to Class VI, Vote 5 to allow for increased Departmental running costs following the winding up of the UK Ecolabelling Board (£84,000).

As a consequence of (iv) above, there will be an increase to the external financing limit for the British Waterways Board of £582,000 from £52,690,000 to £53,272,000. This change will enable the Board to fund urgent works on the canal network.

(v) the DETR/LGR (Local Government Reorganisation) Non-Voted Cash Limit will be decreased by £750,000 from £126,550,000 to £125,800,000, reflecting savings on the Local Government Residuary Body's borrowing approvals. This saving will be used to offset an increase outside the cash limit on Class VI, Vote 4 (Local Government and Regional Policy, England) to pay for the costs of emergency financial assistance to local authorities.

(vi) the cash limit for Class VI, Vote 5—Department of the Environment, Transport and the Regions: administration—will be increased by £2,642,000 from £437,850,000 to £440,492,000. As a consequence of the changes to the Vote, the gross running cost limit for the Health and Safety Executive has increased by £249,000 from £156,696,000 to £156,945,000 and the gross running cost limit for the Department of the Environment, Transport and the Regions has decreased by £16,000 from £603,653,000 to £603,637,000.

The changes reflect the take-up of £2,500,000 of the available £6,000,000 capital end year flexibility as well as inter-vote transfers: from Class V, Vote 1 of £150,000 and Class IX, Vote 1 of £250,000 in respect of capital costs for the Government Offices for the Regions; from Class V, Vote 1 of £300,000, of which £249,000 will be classified as running costs, for the additional costs to the Health and Safety Commission in enforcing the Working Time Regulations; and, from Class VI, Vote 3 of £84,000 for the running costs from absorbing the functions of the UK Ecolabelling Board; offset by inter-vote transfers from this Vote to Class XIII, Vote 6 of £50,000 and Class XIV, Vote 3 of £50,000 for energy efficiency work and an increase in appropriations-in-aid of £542,000 for the Sale of PSA Services Businesses.

(vii) the cash limit for Class VI, Vote 6—Transport Industries—will be increased by £130,000 from £75,060,000 to £75,190,000. The change is a result of increases in the latest estimates of the National Bus Company pensions case legal costs. London Underground's external finance limit will be increased by £69,000,000 from £523,250,000 to £592,250,000. This relates to the take-up of £29,000,000 capital end year flexibility and an inter-vote transfer from Class VI, Vote 2 of £40,000,000 in respect of the Croydon Tramlink.

(viii) the cash limit for Class VI, Vote 11—Office of the Rail Regulator—will be increased by £120,000 from £8,800,000 to £8,920,000. This increase reflects the take-up of £120,000 capital end year flexibility. There will also be a reduction of £205,000 from £8,400,000 to £8,195,000 in running costs to be transferred to capital within the cash limit. Such additional funding will allow the scheduled maintenance and refurbishment of office space currently occupied by the Rail Users Consultative Committee (RUCC) for Scotland to proceed.

(ix) the cash limit for Class VI, Vote 13—Ordnance Survey—will be increased by £9,200,000 from £3,762,000 to £12,962,000. The increase reflects investments and expenditure necessary for Ordnance Survey to prepare for the move to a Trading Fund on 1 April 1999 and results from a transfer from the cash limit for Class VI, Vote 1.

The overall increases will be offset by transfers or charged to the reserve and will not therefore add to the planned total of public expenditure.

Trans-European Networks

Mr. Jenkin: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the United Kingdom schemes that *(a)* have received and *(b)* will receive funding from the European Union in respect of trans-European networks, indicating in each case (i) the name of the scheme, (ii) the amount received, (iii) the total cost of the scheme and (iv) the proportion of (iii) represented by (ii) expressed as a percentage. [57692]

Ms Glenda Jackson: The details requested are in the following table. Trans-European Network (TEN) funding is paid in stages. Therefore it is necessary to distinguish between the amount of support awarded to a scheme and the amount actually received to date. Total estimated eligible costs for TEN support for a scheme are, in the case of ongoing projects for which further bids are expected to be made in future years, for the period 1995 to 1998 inclusive, and are not whole life scheme costs.

United Kingdom transport schemes in receipt of EU Trans European Network (TEN) funding

All figures in million ecu

Column 1 Scheme	*Column 2 Total amount awarded to date*	*Column 3 Total amount received*	*Column 4 Total estimated eligible cost of scheme for TEN support*	*Column 5 TEN award (Col.2) as a percentage contribution of total scheme costs (Col.4) for corresponding period*
Channel Tunnel Rail Link	91.000	71.300	668.700	14
West Coast Main Line	34.800	24.927	360.615	10
Ireland-UK-Benelux Road Link (Studies in England)	5.400	2.700	24.963	22
RDS-TMC Implementation in the UK	1.150	0.575	2.600	44
Newry-Dundalk cross border road link study	0.325	0.162	0.325	100
ROADLINK Traffic Information System	0.300	0.150	0.600	50
Aeronautical Telecom Network Implementation study	0.745	0.372	1.490	50
European Coastal VHF Infrastructure for GMDSS	0.125	0.050	3.750	3
Great Western Lines study (Bristol-Penzance)	0.800	0.400	1.600	50
Pre-op. studies Automatic Dependent Surveillance/CPDLC	0.800	0.400	1.600	50
Traffic Management studies—Wales	0.400	0.200	1.100	36
A75 The Glen improvement	1.300	0.650	13.052	10
UK Ports studies (1997 group)	0.700	0.350	1.500	47
Trans Pennine Strategic Environmental Assessment study	0.245	0.123	0.475	52
Manchester Airport Ground Interchange Phase 1	0.500	0	5.453	9
London Luton Airport People Mover study	0.600	0.300	1.230	49
UK Ports Rail Access Studies	0.600	0.300	1.447	41
Ports Vessel Traffic System & VTMIS Studies	0.500	0.250	1.191	42
Telematics & Traffic Management on the TERN	1.000	0.500	4.100	24
Harwich Port Access & Interchange facilities	0.500	0.200	5.440	9
Cardiff Airport Access Road study (1998 Phase)	1.300	0.650	2.653	49
Stranraer Area Integrated Transport Package	1.000	0.400	2.100	48

Notes:
RDS-TMC—Radio Data System-Traffic Message Channel
GMDSS—Global Maritime Distress and Safety Service
CPDLC—Controller Pilot Data Link Communication
VTMIS—Vessel Traffic Management Information System
TERN—Trans European Road Network

CULTURE, MEDIA AND SPORT

"News At Ten"

Mr. Peter Ainsworth: To ask the Secretary of State for Culture, Media and Sport what representations he has received from the Prime Minister's Press Secretary regarding the proposal to change the time of "News at Ten". [57214]

Mr. Chris Smith *[holding answer 29 October 1998]:* None.

Spending Plans

Mr. Peter Ainsworth: To ask the Secretary of State for Culture, Media and Sport if he will set out his Department's spending plans in each of the next three years in 1998 prices. [57205]

Mr. Chris Smith *[holding answer 29 October 1998]:* The Department's spending plans for the next three years at 1997–98 prices may be found in Table A3 on page 109 of the Comprehensive Spending Review White Paper (Cm 4011) published in July.

Public Appointments

Mr. Vaz: To ask the Secretary of State for Culture, Media and Sport if he will publish the names of those people he has appointed to public bodies since 1 May 1997, indicating the positions to which they have been appointed and whether they receive remuneration. [56786]

Mr. Chris Smith: The information requested is in the following table.

Sponsored body	*Role*	*Name*	*Remuneration*
Advisory Committee on Historic Wreck Sites	Member	Stuart Bryan	N
Advisory Committee on the Government Art Collection	Chairman	John Tusa	N
Advisory Committee on the Government Art Collection	Member	Mary Rose Beaumont, BA(Hons)	N
Advisory Council on Libraries	Member	Grace Kempster	N
Architectural Heritage Fund	Trustee	Jane Sharman, CBE	N
Architectural Heritage Fund	Trustee	John Heritage Pavitt	N
Architectural Heritage Fund	Trustee	Robert Clow Esq.	N
Architectural Heritage Fund	Trustee	William Cadell	N
Arts Council of England	Chairman	Gerrard (Gerry) Jude Robinson	N
Arts Council of England	Member	Prudence Skene	N
Arts Council of England	Member	Anish Kapoor	N
Arts Council of England	Member	Antony Gormley	N
Arts Council of England	Member	Cllr. George Loggie	N
Arts Council of England	Member	Derrick Anderson	N
Arts Council of England	Member	Joanna McGregor	N
Arts Council of England	Member	Deborah Bull	N
Arts Council of England	Member	Christopher Price	N
Arts Council of England	Member	David Brierley, CBE	N
Arts Council of England	Member	David Waldorf Astor, CBE, FRSA	N
Arts Council of England	Member	Rod Natkiel	N
Arts Council of England	Member	Roger Reed	N
Arts Council of England	Member	Trevor Phillips	N
Arts Council of England	Member	Hilary Jane Veronica Strong	N
Arts Council of England	Member	Professor Andrew Motion	N
Arts Council of England	Member	Professor Christopher Frayling	N
Arts Council of England	Member	Professor Raymond Cowell	N
Arts Council of England	Member	Professor Stuart Timperley	N
British Film Institute Governors	Chairman	Alan Parker, CBE	N
British Film Institute Governors	Deputy Chairman	Joan Bakewell	N
British Film Institute Governors	Governor	Lord Dafydd Elis Thomas	N
British Film Institute Governors	Governor	Alan Howden	N
British Film Institute Governors	Governor	Eric Senat	N
British Film Institute Governors	Governor	Gus Macdonald	N
British Film Institute Governors	Governor	Ronnie Kells	N
British Film Institute Governors	Governor	Simon Olswang	N
British Film Institute Governors	Governor	Tony Elliott	N
British Film Institute Governors	Governor	Charles Denton	N
British Film Institute Governors	Governor	Barry Norman	N
British Film Institute Governors	Governor	Professor Brian Winston	N
British Library Board	Member	Bernard Naylor	Y
British Library Board	Member	Professor Michael Anderson	Y
British Tourist Authority	Member	Alan E.M. Britten, MA	Y
British Tourist Authority	Member	Des Wilson	Y
British Tourist Authority	Member	John Jarvis	Y
British Tourist Authority	Member	Patrick McKenna	Y
Broadcasting Standards Commission	Deputy Chairman	Suzanne Warner	Y
Broadcasting Standards Commission	Member	Sioned Wyn Thomas	Y
Broadcasting Standards Commission	Member	Rev. Rose Hudson-Wilkin	Y
Crafts Council	Member	David H. Davis	N
Crafts Council	Member	Janice Tchalenko	N
Crafts Council	Member	John Buston	N
Crafts Council	Member	Paul Biddle	N
Crafts Council	Member	Jennie Moncur	N
English Heritage	Commissioner	Andrew Fane Esq.	Y
English Heritage	Commissioner	HRH The Duke of Gloucester, KG, GCVO	N
English Heritage	Commissioner	Lady Elizabeth Gass, DL	Y
English Heritage	Commissioner	Susan Lois Underwood	Y
English Heritage	Commissioner	Loyd Daniel Gilman Grossman	Y
English Heritage	Commissioner	Bridget Cherry, FSA	Y
English Heritage	Commissioner	Candida Lycett Green	Y
English Heritage	Commissioner	Amanda Arrowsmith	Y
English Heritage	Commissioner	Kirsty McLeod	Y
English Heritage	Commissioner	Professor Eric Fernie, CBE	Y
English Heritage	Commissioner	The right hon. the Lord Faringdon	Y
English Sports Council	Acting Chairman	Trevor Brooking, MBE	Y
English Sports Council	Member	Garth Anthony Crooks	N

Sponsored body	Role	Name	Remuneration
English Sports Council	Member	Carol Gustafson	N
English Tourist Board	Member	Jennifer Robson	Y
English Tourist Board	Member	David Lunn	Y
Geffrye Museum	Trustee	Philip Hedley	N
Historic Royal Palaces	Member	Baron Inge of Richmond	N
Historic Royal Palaces	Member	Dr. Simon Richard Jones, LVO	N
Historic Royal Palaces	Member	Jane Sharman, CBE	N
Historic Royal Palaces	Member	M. Herbert MA (Oxon), FCA, FRSA, CBE	N
Historic Royal Palaces	Member	Angela Heylin	N
Horniman Museum	Trustee	Professor Kenneth Gregory	N
Horniman Museum	Trustee	Professor Sir Ghillean Prance, FRS	N
Imperial War Museum	Trustee	Kate Adie, OBE	N
Independent Television Commission	Member	Alistair G. Balls, CB	Y
Independent Television Commission	Member	Sir Michael Checkland	Y
Independent Television Commission	Member Wales	Winston Roddick, QC	Y
Library and Information Commission	Chairman	Matthew Evans, CBE	N
Library and Information Commission	Member	Claire Rayner	N
Library and Information Commission	Member	Councillor Edwin Arram, CMA, MBIFM	N
Library and Information Commission	Member	Dr. R.A. McKee BA, MA, PhD, ALA, MIInfSc, FRSA	N
Library and Information Commission	Member	Dr. Sandra Ward	N
Library and Information Commission	Member	Derek Law	N
Library and Information Commission	Member	Mark Wood	N
Library and Information Commission	Member	Grace Kempster	N
Library and Information Commission	Member	Professor Judith Elkin	N
Library and Information Commission	Member	Sir Charles Chadwyck-Healey	N
Library and Information Commission	Member	Sir Peter Swinnerton-Dyer	N
Museum of Science and Industry in Manchester	Chairman	John Lee	N
Museum of Science and Industry in Manchester	Trustee	Rajkumari Williamson	N
Museum of Science and Industry in Manchester	Vice-Chairman	Virginia Halliwell	N
National Endowment for Science, Technology and the Arts	Chairman	Lord Puttnam of Queensgate, CBE	Y
National Endowment for Science, Technology and the Arts	Trustee	Carol Vorderman	N
National Endowment for Science, Technology and the Arts	Trustee	Catherine McKeever	N
National Endowment for Science, Technology and the Arts	Trustee	Dr. Chris Evans, OBE	N
National Endowment for Science, Technology and the Arts	Trustee	Clive Gillinson	N
National Endowment for Science, Technology and the Arts	Trustee	David Wardell	N
National Endowment for Science, Technology and the Arts	Trustee	Dr. Bridget Ogilvie DBE, ScD	N
National Endowment for Science, Technology and the Arts	Trustee	Francois Matarasso	N
National Endowment for Science, Technology and the Arts	Trustee	Genista McIntosh	N
National Endowment for Science, Technology and the Arts	Trustee	Janice Kirkpatrick	N
National Endowment for Science, Technology and the Arts	Trustee	Sir Martin Rees	N
National Film and Television School Governors	Governor	John McVay	N
National Film and Television School Governors	Governor	Roger Bolton	N
National Film and Television School Governors	Governor	Tim Bevan	N
National Film and Television School Governors	Governor	Kate Wilson	N
National Lottery Charities Board	Chairman	The Hon. David D. Sieff	Y
National Lottery Charities Board	Member England	Steven Howard Burkeman	N
National Lottery Charities Board	Member England	Barbara Joan Lowndes	N
National Lottery Charities Board	Member England	Stella Rosemary Clarke, DL, CBE	Y
National Lottery Charities Board	Member N. Ireland	John Simpson	N
National Lottery Charities Board	Member N. Ireland	William Bell Osborne	N
National Lottery Charities Board	Member N. Ireland	Noel Stewart	Y
National Lottery Charities Board	Member Scotland	Ronald Edward Partington	N
National Lottery Charities Board	Member Scotland	Anne Clark	N
National Lottery Charities Board	Member Scotland	Kay Hampton	N
National Lottery Charities Board	Member UK	Amanda Janet Jordan	Y
National Lottery Charities Board	Member UK	Tessa Baring	Y
National Lottery Charities Board	Member UK	Sir Adam Nicholas Ridley	Y
National Lottery Charities Board	Member Wales	Thomas Henry Jones	Y
National Lottery Charities Board	Member Wales	Elisabeth Watkins	N
National Museums and Galleries on Merseyside	Chairman	David McDonnell	N
National Museums and Galleries on Merseyside	Trustee	Councillor Frank Prendergast	N
National Museums and Galleries on Merseyside	Trustee	Dr. Janet Kear	N
National Museums and Galleries on Merseyside	Trustee	Graham Barrie Marsh	N
National Museums and Galleries on Merseyside	Trustee	Voirrey Elizabeth Branthwaite	N
National Museums and Galleries on Merseyside	Trustee	Professor Preston Theodore King	N
New Opportunities Fund	Chairman	The Baroness Pitkeathley, OBE	Y
New Opportunities Fund	Member	Dr. Sian Griffiths	N
New Opportunities Fund	Member	Dugald Mackie	N
New Opportunities Fund	Member	Melinda Letts	N
New Opportunities Fund	Member	Nita Clarke	N
New Opportunities Fund	Member	Professor Eric James Bolton	N

Sponsored body	Role	Name	Remuneration
New Opportunities Fund	Member	Professor John Allan Patmore, CBE	N
New Opportunities Fund	Member England	Jill Helen Barrow	N
New Opportunities Fund	Member N. Ireland	Roisin McDonough	N
New Opportunities Fund	Member Scotland	David Campbell	N
New Opportunities Fund	Member Wales	Jane Hutt	N
Public Lending Right Advisory Committee	Chairman	Michael Holroyd	N
Public Lending Right Advisory Committee	Member	Claire Tomalin	N
Public Lending Right Advisory Committee	Member	Hilary Marry Mantel	N
Public Lending Right Advisory Committee	Member	Linda Hopkins	N
Radio Authority	Deputy Chairman	Michael Moriarty	Y
Reviewing Committee on the Export of Works of Art	Member	Ian Gow	N
Reviewing Committee on the Export of Works of Art	Member	Sir Jack Baer	N
Royal Armouries	Member	Richard Whiteley	N
Royal National Theatre	Chairman	Sir Christopher Anthony Hogg	N
Royal National Theatre	Member	Hon. Peter Benson	N
Royal National Theatre	Member	Michael Oliver	N
Royal National Theatre	Member	Joan Bakewell	N
Royal National Theatre	Member	Sue MacGregor, OBE	N
Royal National Theatre	Member	Sir Ian McKellen, CBE	N
Royal National Theatre	Member	Sir Thomas Stoppard	N
Royal Parks Ministerial Advisory Board	Member	Barbara Abensur	N
Royal Parks Ministerial Advisory Board	Member	Frank Constable	N
S4C	Chairman	Ifan Prys Edwards	Y
S4C	Chairman	Elan Closs Stephens	Y
S4C	Member	Cefin Campbell	Y
S4C	Member	Nic Parry	Y
Theatres Trust	Chairman	Sir John Drummond	N
Theatres Trust	Member	Martyn Heighton	N
Theatres Trust	Trustee	John Muir	N
Theatres Trust	Trustee	Yvonne Brewster	N
Theatres Trust	Trustee	Sir Stephen Harry Waley-Cohen	N
Treasure Valuation Committee	Chairman	Lord Stewartby	N
Treasure Valuation Committee	Trustee	John Casey	N
Treasure Valuation Committee	Trustee	Patrick Finn	N
Treasure Valuation Committee	Trustee	Dennis Jordan	N
Treasure Valuation Committee	Trustee	Professor Norman Palmer	N
Treasure Valuation Committee	Trustee	Dr. Jack Ogden	N
United Kingdom Sports Council	Chairman	Sir Rodney Walker	N
United Kingdom Sports Council	Member	Trevor Brooking, MBE	N

PRIME MINISTER

Genetically Modified Organisms

Mr. Baker: To ask the Prime Minister if he will list the occasions since 1 September 1998, when *(a)* he, *(b)* his advisers and *(c)* staff in the Cabinet Office have (i) received communications from and (ii) had discussions with (1) representatives of the US Government and (2) companies with a commercial interest in the development of GMOs, in respect of genetically modified organisms, indicating the nature of such communications and meetings. [57703]

The Prime Minister *[holding answer 2 November 1998]:* I, Ministers, advisers and other civil servants receive representations from and meet many people in the course of their work. This properly includes meetings with representatives from foreign governments and with interest groups outside Government. By convention it is not the practice of governments to make information on such meetings or their content publicly available.

The Government's position on GMOs was explained on 21 October 1998 by my hon. Friend the Minister of State, Ministry of Agriculture, Fisheries and Food and my right hon. Friend the Minister for the Environment to the House of Lords Select Committee on the European Communities, Sub-Committee D. Ministers have made it clear that public health and the protection of the environment are the Government's first priority on GMOs. On the same day I announced the establishment of a new Cabinet Committee to oversee developments in the area of biotechnology.

Pörtschach

Mr. Colvin: To ask the Prime Minister (1) if he will make a statement on the proposed transfer of political powers from Her Majesty's Government to the WEU; [57918]

(2) if he will make a statement on the policy of Her Majesty's Government on the proposed transfer of military powers to the WEU. [57917]

The Prime Minister: This was an informal meeting of the Heads of Government at Pörtschach, in preparation for the full European Council in Vienna, at which a broad range of issues were discussed. No formal decisions were taken.

I refer the hon. Member to the Answer I gave today, *Official Report*, column *473*, to the hon. Member for Windsor (Mr. Trend). The Government have not proposed to transfer political or military powers to the WEU.

Mr. Trend: To ask the Prime Minister (1) if the proposals set out by Her Majesty's Government at Pörtschach on the establishment of a closer EU defence formation included extension of qualified majority voting; [58010]

(2) if he will make a statement on the differences between the proposals his Government set forward at Pörtschach on more integrated EU defence, and those established in the Treaty of Amsterdam; [58011]

(3) if he will list documents pertaining to the proposals of Her Majesty's Government to the Pörtschach Conference which his Government have distributed to other member states as regards closer defence co-operation. [58012]

The Prime Minister: This meeting of the Heads of Government was an informal meeting in preparation for the full European Council in Vienna, at which a broad range of issues were discussed. No formal decisions were taken.

At the meeting, I made clear my wish to see Europe examine ways of developing its defence identity. I did not put forward any detailed proposals and did not propose the extension of Qualified Majority Voting. The Government have not distributed any documents to other Member States of the European Union on closer defence co-operation. I stressed that NATO should remain the foundation of collective security. I made clear it that the starting point for discussion should be the 1996 Berlin decision on the European Security and Defence Identity and the Treaty of Amsterdam.

Animal Experiments

Mr. Nigel Jones: To ask the Prime Minister if he will establish a Royal Commission to review the effectiveness of and justification for animal experiments. [57875]

The Prime Minister: The Government are committed to ensuring that animals are used in scientific procedures only where this is fully justified. Furthermore, we are working to ensure that the highest possible standards of animal welfare are implemented.

We have, for example, already announced:

that we are promoting the development and use of alternatives (which reduce the number of animals used, refine procedures to minimise suffering, and replace animal use) where possible—the budget made available to the Animal Procedures Committee to sponsor research on alternatives has been increased by 42 per cent. and scientists will now be required to demonstrate what consideration they have given to the use of alternatives;

an end to the test of cosmetic products on animals;

that we are exploring the possibility of extending this ban to cover cosmetic ingredients—in the meantime, no new licences to test cosmetic products or ingredients have been issued since May 1997;

a ban on the use of animals to test tobacco or alcohol products;

that further funding has been secured to increase the complement of the Inspectorate from 18 to 21, seven new inspectors recruited to fill these and other vacancies;

that, through the European Commission, we are putting pressure on the Organisation for Economic Co-operation and Development to delete the LD50 test from its list of regulatory safety tests;

that ethical review processes will be required in all establishments from April 1999;

a ban on the use of Great Apes (gorillas, chimpanzees, pygmy chimpanzees and orang-utans);

that the use of ascitic animals in monoclonal antibody production will be phased out; and

an increase to the number of animal welfare experts on the Animal Procedures Committee.

We have not ruled out a Royal Commission. The Government believe, however, that it is best to use the available resources to make immediate improvements to the operation of the Animals (Scientific Procedures) Act 1986 until such time as we are able to make a considered judgment about the merits of such a proposal.

Civil Servants

Mr. Salmond: To ask the Prime Minister (1) what changes have been made to the arrangements for pre-election contacts between senior civil servants and opposition parties since the evidence by the then Head of the Civil Service to the Treasury and Civil Service Committee on 27 November 1985; [57954]

(2) if the contacts between senior civil servants in the Treasury and the then shadow Chancellor before the 1997 General Election were directed exclusively to questions of organisation. [57955]

The Prime Minister: The current arrangements for pre-election contacts between senior civil servants and Opposition parties do not differ significantly from those in place in 1985. The only substantial change since 1985 was agreed after the 1992 General Election to take account of the fact that, under our electoral arrangements, it is only the last possible date for the next General Election that is known in advance. At the suggestion of the then Leader of the Opposition, the then Prime Minister agreed that it should be possible for such contacts to take place from 16 months before the 1992 Parliament would complete its maximum five-year term. Previously, contacts had been allowed to begin in the last six months of a five-year Parliament, an arrangement which was considered to have precluded effective contacts before the 1983 and 1987 General Elections.

The format for such contacts remains essentially the same as that set out by the then Head of the Home Civil Service in 1985. The purpose of the meetings is to allow Opposition parties to inform themselves of factual questions of departmental organisation and to inform senior civil servants of any organisational change of Government. Such meetings are confidential on both sides. These were the arrangements governing all contacts in the run-up to the 1997 Election.

Task Forces

Mr. Burstow: To ask the Prime Minister if he will make it his policy to require all task forces and equivalent bodies to publish their working papers and minutes on the Internet. [57774]

The Prime Minister: The Government encourage greater openness of public bodies, wherever practical and appropriate. The extent to which the records of any specific task force or review group are published or placed on the Internet is a matter for the relevant sponsoring Department.

Inter-ministerial Committees

Mr. Burstow: To ask the Prime Minister if he will list each of the inter-ministerial committees, indicating *(a)* when it was established, *(b)* who chairs it and *(c)* the frequency of its meetings. [57775]

The Prime Minister: I refer the hon. Member to the Answer I gave to my hon. Friend the Member for Midlothian (Mr. Clarke) on 21 October 1998, *Official Report*, columns *1123–35*.

Council of Europe (50th Anniversary)

Mr. Flynn: To ask the Prime Minister what proposals he has to celebrate the 50th anniversary of the Council of Europe. [56917]

The Prime Minister: We intend to mark the 50th anniversary of the Council of Europe in London on 5 May 1999 with an evening reception in St. James's Palace where the Statute was signed. We shall invite key representatives of the Council of Europe from Strasbourg and from foreign Governments, as well as a broad range of people from UK organisations most closely involved in Council of Europe activities. My right hon. and learned Friend the Lord Chancellor will also be making a speech in the Palace of Westminster on the same day. We have separately invited Lord Ponsonby of Shulbrede to chair the UK National Committee which will organise other events independently of Government.

Belfast Agreement

Mr. McNamara: To ask the Prime Minister what response he has made to the request of the UN High Commissioner of Human Rights to be consulted about the structure and scope of bodies established as part of the Belfast Agreement. [56298]

The Prime Minister: I refer my hon. Friend to the reply I gave to him on 2 November 1998, *Official Report*, column *403*.

LORD CHANCELLOR'S DEPARTMENT

Legal Profession (Recruitment)

35. **Mr. Sheerman:** To ask the Minister of State, Lord Chancellor's Department, what targets he has set to broaden recruitment within the legal profession. [56139]

Mr. Hoon: Recruitment to the legal professions is primarily a matter for the professions themselves. Both the Bar Council and the Law Society have adopted policies designed to ensure that entrance to the profession is based on merit alone. This is something which the Government strongly support.

Rights of Audience

36. **Dr. Cable:** To ask the Minister of State, Lord Chancellor's Department, when he proposes to grant solicitors full rights of audience; and if those rights will be extended to barristers who have left private practice and are now employed. [56140]

Mr. Hoon: The Government published a consultation paper in June which set out our plans to extend the rights of audience both of solicitors in private practice and of employed barristers and solicitors. Extending rights of audience will require primary legislation, and I hope we will bring proposals before Parliament at an early opportunity.

Law Centres

37. **Mr. Mitchell:** To ask the Minister of State, Lord Chancellor's Department what proposals he has for establishing law centres in areas which do not at present have them. [56142]

Mr. Hoon: Yesterday 2 November 1998, my right hon. Friend the Lord Chancellor outlined our proposals for a Community Legal Service, which will aim to ensure that every area will have access to a comprehensive network of legal service providers, of consistently good quality, so that people with actual or potential legal problems are able to find the information and help they need. I hope Law Centres will play a full part in the Community Legal Service. A consultation document on the detail of our proposals for the Community Legal Service will be published early next year.

Judiciary (Criminal Investigations)

38. **Mr. Mackinlay:** To ask the Minister of State, Lord Chancellor's Department, what is his Department's policy on the suspension with pay of members of the judiciary, pending criminal investigations. [56143]

Mr. Hoon: Each case must be considered on its own merits. However the Lord Chancellor would not normally consider it appropriate for a judge who was the subject of serious criminal proceedings to continue to sit pending the outcome of the case. Where the salary of a judge in such a position is protected by statute (as with Circuit Judges) salary must by law continue to be paid in full throughout this period. Such salary protection which prevents the salary of serving judges from being reduced or withheld whilst they continue to hold office is a vital part of securing the independence of the judiciary. Judges may be removed from office only in limited circumstances and subject to the relevant statutory provision. The Lord Chancellor may remove a Circuit Judge only on the grounds of misbehaviour or incapacity.

Ministerial Meetings (Law Society)

39. **Mr. Jack:** To ask the Minister of State, Lord Chancellor's Department, how many times in the last 12 months he has met representatives of the Law Society; and what was discussed. [56144]

Mr. Hoon: In the last 12 months I have met representatives of the Law Society in a formal capacity on 7 occasions, to discuss conditional fees and legal aid, small claims, standard fees, the legal aid reforms, legal aid remuneration and the proposed changes to ancillary relief.

Family Law Act 1996

Mr. Leigh: To ask the Minister of State, Lord Chancellor's Department if the first six information meeting pilots on the Family Law Act 1996 have been completed; and if he will place in the Library his Department's assessment of the success of the pilots. [56949]

Mr. Hoon: Three of the first six pilots closed in March 1998. Independent research relating to these and later pilots is still continuing.

Marriage Support Services

Mr. Leigh: To ask the Minister of State, Lord Chancellor's Department what initiatives his Department has taken to assist marriage support services. [56950]

Mr. Hoon: The Lord Chancellor's Department currently provides core funding to six marriage support and research organisations. For the financial year 1998–99 further funding has been given to eight pilot and research projects. Nearly £3 million has been allocated this year. The Lord Chancellor has commissioned an independent review of the Department's funding of marriage support. Details will be announced shortly. The results of the review will assist the Lord Chancellor in developing a strategy for the effective allocation of resources to marriage support services.

SCOTLAND

Economy

11. **Mr. Jack:** To ask the Secretary of State for Scotland what studies his Department has made of the effects on the Scottish economy of the lower growth assumptions for the UK economy in 1998–99. [56111]

Mr. Dewar: The most recent independent forecast from Business Strategies Limited, published last month, suggests that growth in Scottish GDP will be slightly below UK growth in 1998 but will exceed UK growth in 1999. Unemployment in Scotland continues to fall, and employment to rise.

Incomes

13. **Mr. David Marshall:** To ask the Secretary of State for Scotland how many people he estimates in Scotland have household income below half of the national average; and what steps he is taking to alleviate the impact of poverty. [56114]

Mr. Macdonald: We estimate that some one million people in Scotland have incomes below half the national average. The Government are determined to tackle poverty and promote social inclusion and we are doing so by a range of policies which are designed, first, to support families; secondly, to provide opportunities for all who can to work; and thirdly, to provide security and protection for the most vulnerable.

Bankruptcy

14. **Dr. Lynda Clark:** To ask the Secretary of State for Scotland what plans he has to review the operation of bankruptcy law in Scotland. [56115]

Mr. McLeish: The Scottish Office is considering responses to a consultation paper on Apparent Insolvency which proposed amendments to the Bankruptcy (Scotland) Act 1985; and has recently held a follow up consultation on Protected Trust Deeds.

Government Spending

15. **Mr. Blunt:** To ask the Secretary of State for Scotland what estimate he has made of total per capita Government expenditure in Scotland in 1999–2000. [56116]

Mr. Dewar: The latest available estimate for Government spending per capita in Scotland is for 1995–96. The figure in that year was £6,010.

Scottish Parliament

16. **Mr. Swayne:** To ask the Secretary of State for Scotland what plans he has to ensure that Scottish service men are able to vote in the elections to the Scottish Parliament. [56117]

Mr. McLeish: Scottish service men and women are already provided for under existing legislation. We see no need for this to be amended. Provided that they have made a service declaration to appear on the register in Scotland they will be eligible to vote by proxy no matter where in the world they will be at the time of the elections to the Scottish Parliament.

17. **Mr. Nicholas Winterton:** To ask the Secretary of State for Scotland what assessment he has made of the impact of the future Scottish Parliament on his accountability to hon. Members. [56118]

Mr. McLeish: The establishment of the Scottish Parliament will alter the range of issues for which the Secretary of State for Scotland is responsible. The Government intend to submit evidence to the Procedure Committee for its inquiry into the procedural consequences of devolution shortly.

27. **Mrs. Gorman:** To ask the Secretary of State for Scotland what estimate he has made of the cost of establishing a Scottish Parliament. [56130]

Mr. McLeish: The estimated construction costs of the building at Holyrood will be around £55 million, including site acquisition costs and demolition costs but not including fees and VAT. The actual cost will depend on the final design, and the price of construction, which will be determined by competitive tender.

The annual running costs of the Scottish Parliament will depend on a number of factors yet to be settled including the hours of operation. The current estimate is around £30 million.

A1

18. **Mr. Home Robertson:** To ask the Secretary of State for Scotland if he will designate the A1 trunk road as a core national route. [56119]

Mr. Macdonald: The term "core national route" relates to nationally important routes in England. Decisions on priorities for trunk road investment in Scotland will be taken in the light of the current Strategic Roads Review.

Residential and Nursing Homes

19. **Dr. Godman:** To ask the Secretary of State for Scotland what plans he has to modify the regulations covering the ownership, management and inspection of private residential homes and nursing homes for the elderly. [56121]

Mr. Galbraith: I refer my hon. Friend to the replies I gave him on 4 November 1997, *Official Report*, column *156*, and 17 March 1998, *Official Report*, column *569*. These indicated that legislation on the regulation and inspection of residential and nursing home care and domiciliary care will follow when a suitable opportunity presents.

Cullen Report

20. **Mr. Gorrie:** To ask the Secretary of State for Scotland what proposals he has to implement Lord Cullen's recommendations on the introduction of a national system to ensure that there are adequate checks on the suitability of youth leaders and workers. [56123]

Mr. Galbraith: We are discussing across Government a package of measures aimed at preventing unsuitable persons from obtaining access to children. We expect to announce our conclusions on this shortly.

Housing

22. **Mr. Nigel Griffiths:** To ask the Secretary of State for Scotland what steps he is taking to improve the quality of Scotland's housing stock. [56125]

Mr. Macdonald: Almost £500 million of public money has been allocated for housing in Scotland in 1998/99 and an additional £300 million has been made available over the next three years linked, in particular, to the development of the New Housing Partnership initiative. These resources, together with the private finance which they will attract will provide new and improved stock in all housing tenures across Scotland. We are also improving housing quality by investing in home energy efficiency, linked to the New Deal, by the introduction of barrier free standards in new housing funded by Scottish Homes and by bringing empty houses back into use through the Empty Homes Initiative.

Further and Higher Education

23. **Mr. Welsh:** To ask the Secretary of State for Scotland when he last met representatives of the higher and further education sector in Scotland to discuss funding levels. [56126]

Mrs. Liddell: On 26 October I met representatives of the Association of Scottish Colleges. We discussed funding for the further education sector, and the Association told me they welcomed the Government's announcement that we are to invest an additional £214 million into further education over the next three years, to support further increases in student numbers, enhance quality in delivery and stabilise the financial position of the sector.

On 30 October, I addressed a Forum of the Committee of Scottish Higher Education Principals at which, among other topics, funding was discussed. At the Forum I announced a further funding boost of £15 million for Scotland's Higher Education sector; this is in addition to the extra £230 million we are investing in Scottish higher education over the next three years. This additional funding will be vital in meeting the Government's objectives of widening access to higher education and modernising teaching and research to support a knowledge economy. It was, I believe, strongly welcomed by the higher education sector.

24. **Mr. David Stewart:** To ask the Secretary of State for Scotland what plans he has to review the procedure for selection of boards of management of colleges of further and higher education in Scotland. [56127]

Mrs. Liddell: Schedule 2 to the Further and Higher Education (Scotland) Act 1992 sets out the requirements regarding the composition of the Boards of Management of further education colleges, and eligibility criteria for their appointment. Beyond these statutory requirements, however, appointments to the boards of management are for individual institutions themselves to determine and I have no plans to review that procedure.

With assistance from the Department, the Association of Scottish Colleges (ASC) established a working group on college governance in 1997. Guidance was then issued by the ASC to the sector on issues such as written public appointment procedures and the operation of search and nomination committees. The guidance reflects the recommendations on public appointments set out in the second report of the Committee on Standards in Public Life. The ASC are presently surveying the extent to which Boards of Management have taken this guidance on board.

I expect Board procedures for the appointment of members to comply with the provisions of Schedule 2 to the Further and Higher Education (Scotland) Act 1992 and have regard to the advice and recommendations of the Committee on Standards in Public Life.

Public Expenditure

25. **Mr. Bercow:** To ask the Secretary of State for Scotland what representations he has received from Scottish local authorities regarding the level of public expenditure per head in 1998–99. [56128]

Mr. McLeish: My right hon. Friend meets the Convention of Scottish Local Authorities regularly to discuss a wide range of financial and other matters.

Manufacturing

26. **Mr. Salmond:** To ask the Secretary of State for Scotland when he last met Scottish Enterprise to discuss developments in the Scottish manufacturing sector. [56129]

Mr. Macdonald: I, my right hon. Friend the Secretary of State and my noble Friend Lord Macdonald of Tradeston have regular meetings with Scottish Enterprise to discuss a range of issues affecting the Scottish economy including developments in the Scottish manufacturing sector.

Fishing

Mr. Gill: To ask the Secretary of State for Scotland if he will take measures to assist young people entering the Scottish fishing industry as skipper-owners. [56110]

Mr. Macdonald: There is help available for young fishermen wanting to become skippers through training programmes operated by the Sea Fish Industry Authority and by Local Enterprise Companies.

Closed Circuit Television

Mr. Sarwar: To ask the Secretary of State for Scotland what assessment he has made of the use of closed circuit television for combating crime in Scotland. [56124]

Mr. McLeish: In January 1996, The Scottish Office published an evaluation report into the effectiveness of closed circuit television in combating crime and the fear of crime in Airdrie, where twelve open street CCTV cameras had been operating since 1992. A separate evaluation was subsequently undertaken on the Glasgow city centre CCTV scheme. A final report has been submitted by the researcher and is currently being prepared for publication.

Public Sector Pay

Mr. Gorrie: To ask the Secretary of State for Scotland if he will list *(a)* actual and *(b)* real increases in pay in *(a)* 1995–96, *(b)* 1996–97, *(c)* 1997–98 and *(d)* 1998–99 of public sector employees in Scotland. [56954]

Mr. Dewar: The information is as follows:

Percentage

Employ	*1995*	*Real terms*	*1996*	*Real terms*	*1997*	*Real terms*	*1998*	*Real terms*
Doctors and dentists	2.5 to 3.0	–0.9 to 0.4	3.6 to 5.8	1.2 to 3.4	3.4	0.3	5.2	1.6
Nurses, midwives and professions allied to medicine	[1]3.0	–0.4	[1]3.0	[1]0.6	3.3	0.2	3.8	0.2
NHS non review body	[1]3.0	–0.4	[1]3.0	0.6	3.3	0.2	3.8	0.2
Police	3.0	–0.4	3.5	1.1	3.5	0.4	4.0	0.4
Fire	3.5	0.1	4.4	2.0	4.8	1.7	[2]—	[2]—
Local government	2.2	–1.2	2.9	0.5	2.5	–0.6	3.0	–0.6
Scottish teachers	2.0	–1.4	3.0	0.6	2.5	–0.6	3.0	–0.6

[1] In 1995 and 1996 national NHS pay awards of 1 per cent. and 2 per cent. respectively were supplemented by locally negotiated pay additions
[2] Due in November

Notes:

1. The above public sector pay groups account for around 90 per cent. of Scottish public sector pay
2. As pay negotiations have been delegated to individual Civil Service Departments and to many NDPBs it is not possible to give a single meaningful figure for this sector
3. In 1997 the local government settlement was underpinned by a minimum rate of £4 per hour
4. The real term estimates of increases in pay have been made using the average "headline" RPI rate for the calendar years in question. For 1998 the deflator used is the average for the year to date

Equality in Employment

Mr. Gorrie: To ask the Secretary of State for Scotland if he will take steps to ensure that local authorities require suppliers and contractors of services to promote equality in employment and non-discrimination. [56959]

Mr. McLeish: Good procurement practice is essential if local government is to obtain real improvements to service cost and quality under Best Value. I recognise the restrictions the Local Government Act 1988 places on local authority tendering. Legislation amending the existing provisions is likely to be a matter for the Scottish Parliament.

Intestate Succession Rules

Ms Osborne: To ask the Secretary of State for Scotland what plans he has to amend the current rules of intestate succession to allow surviving cohabitants or step-children who are neither the natural children of the deceased nor adopted by them to apply to a court for a discretionary provision out of the estate of the deceased. [57394]

Mr. McLeish: The Scottish Law Commission, in its 1992 Report on Family Law, recommended that a surviving cohabitant should be able to apply to a court for a discretionary provision out of the deceased's estate, whether or not there is a will. I hope to issue a consultation paper shortly on family law in Scotland, in which I shall be asking for views on this recommendation.

The Scottish Law Commission has also considered the position of step-children in the law of succession in Scotland, but did not make any recommendation on this in its 1990 Report on Succession. It did recommend that natural and adopted children of the deceased should have a fixed share of the estate. I am, however, seeking views on an alternative suggestion that children should only be able to claim from the estate the amount that the deceased would have owed them as aliment had he or she lived. Under such a system step-children who had been accepted as children of the family could be owed aliment and would have a claim on the estate.

NHS Trusts

Mrs. Ewing: To ask the Secretary of State for Scotland when he last met representatives of the health trusts in Scotland to discuss the proposed reorganisation of the NHS trusts in Scotland. [56112]

Mr. Galbraith: I chair meetings of Chairmen and General Managers of Health Boards and Chairmen and Chief Executives of Trusts on a quarterly basis. The options for Trust configuration were the subject of widespread consultation by Health Boards and, in making their recommendations, Health Boards took the views expressed into account. My right hon. Friend the Secretary of State for Scotland and I announced the reduction in the number of NHS Trusts from 46 to 28 on 3 September. We remain committed to ensuring that the new configuration of Trusts will reduce bureaucracy so that the maximum amount of resources are available for direct investment in patient care.

Proscribed Organisations

Mr. McNamara: To ask the Secretary of State for Scotland what advice has been given and what administrative guidelines issued to ensure that an arrested person is aware of the implications of failing to mention

a material fact concerning the offence of belonging to a proscribed and specified organisation; and if he will place in the Library a copy of such documents. [56319]

Mr. McLeish: A letter was sent to Scottish Chief Constables on 15 September outlining the provisions of the Criminal Justice (Terrorism and Conspiracy) Act 1998. The letter advised that a special warning be given to anyone being questioned about membership of a specified organisation, so that they are aware of the implications of failing to mention a fact material to the offence. I have placed a copy of the letter in the Library. A Scottish Office Circular of guidance on the Act will be issued shortly.

Mr. McNamara: To ask the Secretary of State for Scotland how many individuals have been *(a)* charged, *(b)* summarily convicted and *(c)* convicted on indictment under section 2 or the equivalent section of the Prevention of Terrorism (Temporary Provisions) Act 1989 relating to membership of a proscribed organisation in each year since enactment; what percentage of those convicted in each year received a prison sentence; and what percentage of those were sentenced to a term of less than one year. [56318]

Mr. McLeish: On the basis of the latest information, no individuals have been proceeded against or convicted in Scottish courts for an offence under Section 2 of the Prevention of Terrorism (Temporary Provisions) Act 1989, or equivalent sections.

Cancer Deaths

Dr. Strang: To ask the Secretary of State for Scotland how many and what proportion of deaths in Scotland were due to cancer in each of the last five years. [56983]

Mr. McLeish: The information requested is given in the table.

Cancer[1] deaths in Scotland, 1993–1997

Year	*Number of deaths from cancer*	*As a percentage of all deaths*
1993	15,458	24.1
1994	15,164	25.6
1995	15,224	25.2
1996	15,171	25.0
1997	14,889	25.0

[1] Underlying cause of death categories included—International Classification of Diseases etc., ninth revision (ICD 9), codes 140–208, malignant neoplasms.

Council Housing

Mr. McAllion: To ask the Secretary of State for Scotland which tenants' organisations in Scotland he has met to discuss stock transfers of council housing. [56120]

Mr. Macdonald: I have met the Scottish Tenants' Organisation and some of its affiliated federations of tenants on a number of occasions to discuss general housing issues, including stock transfers.

Job Losses

Mr. Prior: To ask the Secretary of State for Scotland if he will make a statement about the number of job losses in Scotland over the last two months. [56122]

Mr. Macdonald: In recent weeks there have been several significant job loss and job creation announcements. The net balance of these job losses and gains can be judged only some months afterwards, as company plans often change. The latest official figures on a non-seasonally adjusted basis show that, over the year to June-August 1998, ILO unemployment in Scotland fell by 26,000 and that total employment increased by 13,000.

Millennium Compliance

Mr. Gorrie: To ask the Secretary of State for Scotland what is his Department's current estimate of the cost to be borne by Scottish local authorities on spending to cope with the problem of the date 2000 on computers in *(a)* 1998–99 and *(b)* 1999–2000 and of the contribution from central Government towards meeting these costs. [56961]

Mr. McLeish: There is no central estimate of the total cost to local government. It is for each local authority to form its own estimate of cost and to consider how costs are to be met within the funds available. The priority is to ensure that every authority is in fact tackling the issue. To that end, the Scottish Office is funding a post of Year 2000 project manager in COSLA. In addition, and as a result of the Government's Comprehensive Spending Review, £10 million has been included in the 1999–2000 local government finance settlement. No provision was made in 1998–99.

HOUSE OF COMMONS

Northern Ireland Questions

Mr. McNamara: To ask the President of the Council if she will make a statement on future handling of Northern Ireland questions following the permanent establishment of a Northern Ireland Assembly. [56401]

Mrs. Beckett: The establishment of the Northern Ireland Assembly will reduce the direct responsibilities of the Secretary of State for Northern Ireland and consequently the matters for which she is accountable to the House. I have no immediate plans to alter the arrangements for Northern Ireland questions. The Procedure Committee is conducting an inquiry into the procedural consequences of devolution and this is one of the subjects I expect them to address. I will be giving evidence to that Committee soon.

NORTHERN IRELAND

Holding Centres

Mr. McNamara: To ask the Secretary of State for Northern Ireland how and when she intends to respond to the principal recommendations of the Independent Commissioner for the Holding Centres in his most recent report. [56402]

Mr. Ingram: Following consultation with relevant interested parties, the Secretary of State wrote to the Independent Commissioner for the Holding Centres on 26 August 1998 in response to matters raised in his Fifth Annual Report. A copy of that letter has been placed in the Library of the House.

Mr. McNamara: To ask the Secretary of State for Northern Ireland how many individuals have been detained in each of the holding centres in each month since September 1997. [56385]

Mr. Ingram: The following table shows the number of persons detained in each of the Holding Centres since September 1997:

Year	*Month*	*Castlereagh*	*Gough*	*Strand Road*
1997	September	21	12	1
	October	0	29	2
	November	0	31	4
	December	0	9	6
1998	January	43	7	0
	February	60	0	0
	March	67	0	0
	April	61	7	0
	May	32	8	0
	June	31	4	0
	July	51	7	0
	August	33	5	0
	September	35	25	0
Total		434	144	13

Note:
Castlereagh Holding Centre was closed for refurbishment during the period October to December 1997

Mr. McNamara: To ask the Secretary of State for Northern Ireland, pursuant to her answer of 6 November 1997, *Official Report*, column *293*, on what date she replied to the Independent Commissioner for the Holding Centres; and on what date her letter was deposited in the Library. [56386]

Mr. Ingram: I wrote to the Independent Commissioner for the Holding Centres on 23 February 1998 in response to a number of outstanding matters raised in his Fourth Annual Report which the Secretary of State had been unable to address in her earlier letter to him of 26 September 1997. My letter was inadvertently not placed in the Library of the House at that time. I have now made arrangements for this to be done.

The Secretary of State's letter of 26 September 1997, together with my letter of 23 February 1998, represents the Government's full response to the Independent Commissioner's Fourth Annual Report.

Mr. McNamara: To ask the Secretary of State for Northern Ireland how many *(a)* male, *(b)* female, *(c)* under 18 year old, *(d)* 18 to 25 year old, *(e)* over 25 year old, (i) republican, (ii) loyalist and (iii) other suspects have been detained in the holding centres in the 12 months from September 1997 to September 1998. [56384]

Mr. Ingram: Set out are the numbers of males and females detained at each of the three holding centres during the period September 1997 to September 1998.

The RUC does not hold information in the form necessary to answer the question in full. A manual check of the records of each of the centres would be required; this could not be done within the timescale allowed for reply and would incur disproportionate costs.

Persons detailed in holding centres September 1997 to September 1998 (inclusive)—by month and holding centre

Month	*Castlereagh*			*Gough*			*Strand Road*		
	Male	*Female*	*Total*	*Male*	*Female*	*Total*	*Male*	*Female*	*Total*
1997									
September	18	3	21	11	1	12	1	—	1
October	—	—	—	29	—	29	2	—	2
November	—	—	—	29	2	31	4	—	4
December	—	—	—	9	—	9	6	—	6
1998									
January	40	3	43	7	—	7	—	—	—
February	57	3	60	—	—	—	—	—	—
March	65	2	67	—	—	—	—	—	—
April	56	5	61	4	3	7	—	—	—
May	32	—	32	8	—	8	—	—	—
June	29	2	31	3	1	4	—	—	—
July	44	7	51	6	1	7	—	—	—
August	31	2	33	5	—	5	—	—	—
September	33	2	35	25	—	25	—	—	—
Total	405	29	434	136	8	144	13	—	13

Flags and Emblems

Mr. McNamara: To ask the Secretary of State for Northern Ireland what guidance is available for non-departmental public bodies concerning displays of flags and emblems; how many NDPBs displayed the Union Flag at least once in the last 12 months; and if he will list those NDPBs that displayed a union flag on 12 July. [56291]

Mr. Paul Murphy: NDPBs in Northern Ireland are aware of the guidance contained in the Fair Employment Commission's Code of Practice relating to the display of flags and emblems. The Union Flag is flown on Government Buildings on a number of scheduled days during the year and, while NDPBs are made aware of these dates, it is a matter for each body to exercise its own discretion as to whether or not the flag should be flown.

Information on how many NDPBs displayed the Union Flag at least once in the last twelve months and those which displayed it on 12 July could be obtained only at disproportionate cost.

Mr. McNamara: To ask the Secretary of State for Northern Ireland on how many days and on what occasions in the last year the Union Flag was flown outside the *(a)* Northern Ireland Electricity regional offices on the Campsie industrial estate and *(b)* other offices of the NIE. [56290]

Mr. Ingram: Information on the flying of the Union Flag by private companies is not held by Government. I understand that Northern Ireland Electricity issued a statement on 11 August 1998 setting out the company's policy on the display of flags and emblems.

Royal Ulster Constabulary

Mr. McNamara: To ask the Secretary of State for Northern Ireland, pursuant to her answer of 27 November 1997, *Official Report*, column *630*, what were the staffing levels of the RUC in September 1998 (i) in total, and (ii) broken down *(a)* by gender, *(b)* by perceived religious/community origin and *(c)* by numbers and percentages of full-time, reserve full-time, and reserve part-time staff. [56387]

Mr. Ingram: The table sets out the information requested as at 1 September 1998.

	Rank			
	RUC	*FTR*	*PTR*	*Total*
CB1				
Male	6,644	2,343	782	9,769
Female	846	217	407	1,470
Total	7,490	2,560	1,189	11,239
CB2				
Male	625	177	30	832
Female	82	27	33	142
Total	707	204	63	974
CB3				
Male	268	156	11	435
Female	8	9	5	22
Total	276	165	16	457
Sub total				
Male	7,537	2,676	823	11,036
Female	936	253	445	1,634
Total	8,473	2,929	1,268	12,670
Percentage CB1	88.40	87.40	93.77	88.71
Percentage CB2	8.34	6.96	4.97	7.69
Percentage female	11.05	8.64	35.09	12.90

Note:
CB1—Perceived to be from Protestant community
CB2—Perceived to be from the Roman Catholic community
CB3—Other

Mr. McNamara: To ask the Secretary of State for Northern Ireland how many *(a)* serving and *(b)* former members of the Royal Ulster Constabulary held personal protection firearms on 10 April; how many new weapons have been issued since then; and how many weapons have been handed in. [56293]

Mr. Ingram: Figures detailing how many serving and former members of the Royal Ulster Constabulary held firearms for personal protection are not available for 10 April 1998, and could be obtained only at disproportionate cost. However, on 26 October 1998, 12,699 handguns (which are available for personal protection) were on official issue to serving members of the Royal Ulster Constabulary and 619 were on loan to former members.

Since 10 April a total of 189 handguns have been issued to serving Royal Ulster Constabulary members and 306 have been returned.

Prisoners (Accelerated Release)

Mr. McNamara: To ask the Secretary of State for Northern Ireland how many prisoners have applied to the Prison Sentence Review Commission for an accelerated release date; on how many cases the commission has made a determination; and for unsuccessful applications, what reasons were given. [56393]

Mr. Ingram: Statutory responsibility for these matters lies with the Sentence Review Commissioners. I have asked the joint Chairmen, Mr. Brian Currin and Sir John Blelloch, to arrange for a reply to be given.

Letter from Sir John Blelloch to Mr. Kevin McNamara, dated 3 November 1998:

You recently asked the Secretary of State for Northern Ireland for information concerning applications made under the Northern Ireland (Sentences) Act 1998. In her answer the Secretary of State advised that, as statutory responsibility for this matter lay with the Sentence Review Commissioners, I would reply.

I can advise that, up until 29 October 1998, 512 prisoners have applied to the Sentence Review Commissioners for a declaration that they are eligible for release in accordance with the provisions of the Northern Ireland (Sentences) Act 1998. Of these, 221 prisoners have received substantive determinations advising that their applications had been successful. There have been no substantive determinations advising that the applicant had been unsuccessful.

A copy of this letter will be placed in the library of the House of Commons.

Mr. McNamara: To ask the Secretary of State for Northern Ireland if she will list the qualifying prisoners whose release has been accelerated as a result of a determination made by the sentence review commission, in each case indicating the *(a)* nature of the offence, *(b)* date of conviction, *(c)* original sentence, *(d)* sentencing jurisdiction, *(e)* original release date after remission or estimated on the basis of average figures in the case of life sentences and *(f)* accelerated release date. [56390]

Mr. Ingram: Statistical information in the format requested is not readily available and could be provided only at disproportionate cost. Details of individual prisoners are not given for sensitivity and safety considerations; however, I will arrange for a written reply to be made to my hon. Friend which will detail available statistical information on prisoner releases which have been accelerated as a result of determinations made by the Sentence Review Commissioners.

Mr. McNamara: To ask the Secretary of State for Northern Ireland if she will estimate, on the basis of those prisoners who have been given accelerated release dates and those who would expect to be released in the next two years, how many prisoners will be released in each month up to August 2000. [56391]

Mr. Ingram: The information requested is not readily available in the detail specified in the question and could be provided only at disproportionate cost. However, similar information was provided on the basis of quarterly projections in my response to the hon. Member for East Londonderry (Mr. Ross) on 2 November 1998, *Official Report*, columns *363–64*.

Military Strategy

Mr. McNamara: To ask the Secretary of State for Northern Ireland if she will list the meetings and describe the other steps taken to prepare the publication of an overall review of military strategy in Northern Ireland. [56380]

Mr. Ingram: I have regular and frequent meetings with the Chief Constable, and with officials, to discuss security related issues. Before the end of the month I intend to publish a strategy paper setting out our approach to normalisation.

Proscribed Organisations

Mr. McNamara: To ask the Secretary of State for Northern Ireland what advice has been given, and what administrative guidelines issued, to ensure that an arrested person is aware of the implications of failing to mention a material fact concerning the offence of belonging to a proscribed and specified organisation; and if she will place in the Library a copy of such documents. [56289]

Mr. Ingram: A letter was sent on 11 September 1998 to the Chief Constable of the RUC outlining the provisions of the Criminal Justice (Terrorism and Conspiracy) Act 1998 and suggesting a form of words for an additional special warning be given to anyone being questioned about membership of a specified organisation, in order that they are aware of the implications of failing to mention a fact material to the offence. The letter also emphasises that inferences can be drawn only where the accused has had access to a solicitor before questioning. A copy of the letter is being placed in the Library today. Further advice on the administration of the 1998 Act will be issued in due course.

Mr. McNamara: To ask the Secretary of State for Northern Ireland what is the current prison population of members or associates of each specified proscribed organisation. [56392]

Mr. Ingram: Information is held for management purposes in relation to the perceived paramilitary association of prisoners where applicable. It should be noted, however, that with the exception of HMP Maze where such links are more clearly defined, this information is based on a combination of factors including the offence, sympathies and associates. These figures do not include prisoners who are regarded as having only either Loyalist or Republican sympathies.

The most recent statistics for the week commencing 26 October 1998 are as follows:

	UDA	*UVF*	*LVF*	*UFF*	*RHC*	*PIRA*	*INLA*
HMP Maze	73	65	19	—	—	112	26
HMP Maghaberry	37	24	11	6	4	16	14
HMP Magilligan	12	11	—	1	—	6	2
HM YOC	1	4	—	2	—	2	1
Totals	123	104	30	9	4	136	43

Border Crossing Points

Mr. McNamara: To ask the Secretary of State for Northern Ireland what representations she has received concerning the re-opening of border crossing points BCP 92 and BCP 93; and what further plans she has for these roads. [56383]

Mr. Ingram: While I am not aware of any representations received concerning the re-opening of border crossing points BCP 92 and BCP 93, consideration is being given to their future.

Mr. McNamara: To ask the Secretary of State for Northern Ireland if she will report progress on making good *(a)* Border Crossing Point 171 at Aghalane Bridge, County Fermanagh and *(b)* other border crossing points not yet restored to full usage after the lifting of closure orders. [56382]

Mr. Ingram: Work is progressing satisfactorily at Border Crossing point 171, and the bridge should be ready for use by Spring 1999.

There are only two other Border Crossing points which remain unopened since the revocation of closure orders: Border Crossing Points 92 and 93 in South Tyrone. I have no immediate plans to re-open the road at Annaghroe or the bridge at Knockaginny Wood.

Murray Judgment

Mr. McNamara: To ask the Secretary of State for Northern Ireland what plans she has to introduce legislation to comply with the Murray judgment at the European Court of Human Rights. [56292]

Mr. Ingram: The Government are actively considering their response to the ECHR judgment in the case of John Murray *v* the United Kingdom and hope to be able to make an announcement in the near future which will outline how procedures in England, Wales and Northern Ireland are to be affected.

The Government have already incorporated the ECHR ruling in the provisions contained in the Criminal Justice (Terrorism and Conspiracy) Act 1998.

Vehicle Checkpoints

Mr. McNamara: To ask the Secretary of State for Northern Ireland if she will list the location of permanent vehicle checkpoints in (i) September 1997 and (ii) October 1998, indicating where structures have been dismantled or removed. [56381]

Mr. Ingram: The locations of permanent vehicle checkpoints in Northern Ireland in September 1997 and October 1998 are as follows:

As at September 1997	*As at October 1998*
Cloghogue (Newry/Dublin Road)	PVCP removed—Patrol Base still in use
Aughnacloy	To be removed (announced 30 September)
Bessbrook (3)	Reduced structures but still in use
Mahon Road, Portadown (2)	Removed
Letterkenny Road, Londonderry	Inactive and vacated but structure still present
Muff, Culmore Road, Londonderry	Inactive and vacated but structure still present
The Hump, Strabane	Inactive and vacated but structure still present
Rosscor Bridge	Inactive but structure still present
Wattle Bridge	Inactive but structure still present
Mullan Bridge	Inactive but structure still present
Gortmullan	Inactive but structure still present
Annaghmartin	Inactive but structure still present
Killyvilly	Inactive but structure still present
Clonalty Bridge	Inactive but structure still present
Belfast International Airport	Inactive and vacated but structure still present

In September 1997 there were 18 permanent vehicle checkpoints in Northern Ireland. Only three are still in operation, for the protection of the security force base at Bessbrook, Country Down. Two have been totally removed, one partially (the adjacent patrol base is still occupied). A further 8 structures are still present and manned, although the checkpoint is inactive. Three others have been vacated by the security forces. The remaining one at Aughnacloy will be demolished shortly.The continuing need for permanent vehicle checkpoints is kept under constant review. Any further changes will depend on the assessment of threat at the time.

Police Authority

Mr. McNamara: To ask the Secretary of State for Northern Ireland what is the total work force of the Northern Ireland Police Authority, including staff seconded from the Civil Service; if she will list the principal occupational sub-divisions or descriptive groups of staff; and what is their composition in respect of *(a)* gender and *(b)* perceived religious/community origin. [56388]

Mr. Ingram: At 1 January 1998 the total workforce of the Police Authority, including staff seconded from the Civil Service, was 3,402.

The total workforce has been broken down by Standard Occupational Classification.

Tables 1(a) and 2(a) provide a breakdown by perceived religious origin. Tables 1(b) and 2(b) provide a breakdown by gender.

Table 1(a): All permanent NICS seconded to PANI by community background at 1 January 1998

Occupational Groups	*Protestant*	*% Protestant*	*Roman Catholic*	*% Roman Catholic*	*Not determined*	*% not determined*	*Total*
1 Managers and administrators	269	81.5	41	13.0	6	1.9	316
2 Professional occupations	6	50.0	4	33.3	2	16.7	12
3 Associate professional and technical occupations	38	86.4	4	9.1	2	4.5	44
4 Clerical and secretarial occupations	1,459	84.0	243	14.0	34	2.0	1,736
5 Crafts and skilled manual occupations	190	86.8	14	6.4	15	6.8	219
6 Personal and protective service occupations	57	74.0	6	7.8	14	18.2	77
8 Plant and machine operatives	7	87.5	0	0.0	1	12.5	8
9 Other occupations	221	81.9	17	6.3	32	11.9	270
Total	2,247	83.8	329	12.3	106	4.0	2,682

Table 1(b): All permanent NICS seconded to PANI by gender at 1 January 1998

Occupational Groups	*Male*	*% Male*	*Female*	*% Female*	*Total*
1 Managers and administrators	126	39.9	190	60.1	316
2 Professional occupations	8	66.7	4	33.3	12
3 Associate professional and technical occupations	39	88.6	5	11.4	44
4 Clerical and secretarial occupations	241	13.9	1,495	86.1	1,736
5 Crafts and skilled manual occupations	218	99.5	1	0.5	219
6 Personal and protective service occupations	58	75.3	19	24.7	77
8 Plant and machine operatives	8	100.0	0	0.0	8
9 Other occupations	121	44.8	149	55.2	270
Total	819	30.5	1,863	69.5	2,682

Table 2(a): All permanent PANI direct recruits by community background at 1 January 1998

Occupational Groups	Protestant	% Protestant	Roman Catholic	% Roman Catholic	Not determined	% not determined	Total
1 Managers and administrators	11	78.6	2	14.3	1	7.1	14
2 Professional occupations	19	59.4	7	21.9	6	18.8	32
3 Associate professional and technical occupations	94	82.5	12	10.5	8	7.0	114
4 Clerical and secretarial occupations	12	100.0	0	0.0	0	0.0	12
5 Crafts and skilled manual occupations	22	84.6	2	7.7	2	7.7	26
6 Personal and protective service occupations	123	71.9	40	23.4	8	4.7	171
9 Other occupations	308	87.7	20	5.7	23	6.6	351
Total	589	81.8	83	11.5	48	6.7	720

Table 2(b): All permanent PANI direct recruits by gender at 1 January 1998

Occupational Groups	Male	% Male	Female	% Female	Total
1 Managers and administrators	9	64.3	5	35.7	14
2 Professional occupations	25	78.1	7	21.9	32
3 Associate professional and technical occupations	76	66.7	38	33.3	114
4 Clerical and secretarial occupations	7	58.3	5	41.7	12
5 Crafts and skilled manual occupations	23	88.5	3	11.5	26
6 Personal and protective service occupations	93	54.4	78	45.6	171
9 Other occupations	109	31.1	242	68.9	351
Total	342	47.5	378	52.5	720

Mr. McNamara: To ask the Secretary of State for Northern Ireland how many buildings comprise the police estate; if she will cost and itemise major works projects *(a)* completed over the last 12 months and *(b)* already underway, initiated or committed in the next 12 months; how many part-time police stations are currently in operation; and what savings are estimated in the next 12 months as a result of the improved security situation. [56389]

Mr. Ingram: In pursuance of section 4 of the Police Act (NI) 1970, the Police Authority for Northern Ireland maintains 167 buildings. Eight of these premises are wholly or partially used for the purposes of the Police Authority.

(a) Over the last 12 months two new stations were built at Coagh and Loughgall costing £1,600,000 and £1,690,000 respectively. A further £3,100,000 was spent on 35 other projects, mainly in the areas of fire certification, health and safety and general upgrading of accommodation.

(b) Twenty-five major projects totalling £4,500,000 are currently underway or are scheduled to be committed within the next 12 months. No new builds are involved and apart from two major health and safety projects (£850,000 for the provision of flat roof edge protection and £560,000 for asbestos related work) the bulk of the money has again been allocated to fire certification work and general improving of accommodation.

The number of part-time RUC stations currently in operation is 64.

Information regarding

"what savings are estimated in the next 12 months as a result of the improved security situation"

is not readily available and could be compiled only at disproportionate cost.

HOME DEPARTMENT

Family Policy

Angela Smith: To ask the Secretary of State for the Home Department if he will make an announcement on family policy. [58336]

Mr. Straw: On Wednesday 4 November, at 9am, the Government will publish a consultation document, 'Supporting Families'. Copies of the document will be placed in the Library and will be available from the Vote Office.

Telecommunications (Interception)

Mr. Baker: To ask the Secretary of State for the Home Department (1) if he will make it a requirement for an application for a warrant to be made where *(a)* MI5 and *(b)* the Police wish to obtain information from telecommunications operatives in respect of call origins, destination, duration and frequency; [57571]

(2) pursuant to his answer of 4 December 1997, *Official Report*, column *299*, when he intends to introduce legislation *(a)* to bring interception on private networks into the statutory framework and *(b)* to introduce further measures to regulate interception of communication. [57573]

Mr. Straw: During the debate on the Criminal Justice (Terrorism and Conspiracy) Bill on 2 September 1998, *Official Report*, column 749, I announced that I had put in hand a comprehensive review of the interception regime, and that a consultation document on this would be published in due course. The consultation document will address private side interception and access to data held by telecommunications operators. Legislation will be introduced at the next opportunity.

Terrorist Attacks (Chemical Weapons)

Mr. Baker: To ask the Secretary of State for the Home Department what contingency plans are in place to protect

the public from terrorist attacks involving chemical weapons, with particular reference to the areas around American bases. [57312]

Mr. Straw: A series of classified contingency plans exist for responding to a wide range of terrorist threats including those which might involve the threatened or actual use of chemical weapons. In the interests of national security and the protection of the public these are regularly reviewed, tested and updated in the light of changing circumstances. The same arrangements apply at those sites made available to the United States Visiting Forces as at any other sites in the United Kingdom which might be vulnerable to attack.

Surveillance Systems

Mr. Baker: To ask the Secretary of State for the Home Department (1) what controls exist to regulate in respect of computer-controlled surveillance systems capable of identifying faces *(a)* those persons programmed to be identified and *(b)* the use made of the information gleaned; [57716]

(2) what assessment he has made of the civil liberties implications of *(a)* the use of and *(b)* the safeguards applicable to the operation of the computer-controlled surveillance system in Newham. [57715]

Mr. Straw: The Data Protection Act 1984 regulates the use of automatically processed information relating to individuals. With limited exceptions, holders of such information must register with the Data Protection Registrar and comply with the Act's legally enforceable data protection principles. Among other things, these require personal data to be obtained and processed fairly and lawfully, held only for specified and lawful purposes and not used or disclosed incompatibly with these purposes. I understand that the Data Protection Registrar will be meeting the Metropolitan Police and the London Borough of Newham in the near future to ensure that the necessary safeguards are in place to ensure compliance with the principles.

Any closed circuit television (CCTV) systems recording images of individuals which do not come within the ambit of the 1984 Act are expected to be covered by the Data Protection Act 1998. This gives wider enforcement powers to the Registrar, who will be re-titled Data Protection Commissioner. They include a new power to issue codes of practice as to good practice. Although these would not have direct statutory force, they would amplify how the enforceable data protection principles should be applied to the data use concerned. I understand that the Registrar has begun preparatory work on the preparation of a code of practice for CCTV.

Security Services

Mr. Baker: To ask the Secretary of State for the Home Department what steps he is taking to ensure that access to personal files held by MI5 is restricted to those with a clear need to see them, and that there are detailed audit trails to identify which officers or sections have had access to that information, and the reasons for that access. [57565]

Mr. Straw: The Security Service already has in place procedures to ensure that access to its personal files is restricted to those with a need to see them, and audit arrangements which track and record internal access to any file.

Mr. Baker: To ask the Secretary of State for the Home Department if he will make it his policy to require an independent assessment to be carried out before any decision by MI5 to destroy files is implemented. [57567]

Mr. Straw: The case for independent scrutiny of the destruction of Security Service files is under consideration including the circumstances where this might be appropriate and the form such scrutiny might take.

Mr. Baker: To ask the Secretary of State for the Home Department what steps he is taking to ensure that files held by MI5 that are marked for destruction or might reasonably be thought to be so classified had they been assessed, are not used for vetting purposes. [57566]

Mr. Straw: Those Security Service files that have been reviewed and marked for destruction have been withdrawn from the Service's central file index and are not available to desk officers for any purpose. Those old and closed files, which have yet to be reviewed for destruction, remain centrally recorded but the Security Service may neither carry out inquiries into the subject nor add substantive information to the file. The current policy is that the Service will not apply information from its records in response to vetting inquiries merely on account of the subject's membership of organisations once considered to be subversive.

Mr. Baker: To ask the Secretary of State for the Home Department on how many individuals information is held by MI5 by means of computerised indices. [57564]

Mr. Straw: In my statement to the House on 29 July 1998, *Official Report*, columns *251–54*, I made public for the first time information concerning the number of files held by the Security Service, including the number of files on which inquiries may be made. I do not propose to disclose further details about the Service's record management systems.

Mr. Baker: To ask the Secretary of State for the Home Department what rights he proposes to introduce for individuals upon whom files are held by MI5. [57568]

Mr. Straw: In its latest Report, the Intelligence and Security Committee indicated that it intends to consider the question of whether individuals should have rights in connection with any Security Service files held on them. I shall await the Committee's findings before deciding whether to make any changes to the existing arrangements.

Animal Experiments

Mr. Baker: To ask the Secretary of State for the Home Department what plans he has to allow renewal of project licence applications to be subject to independent assessment of non-animal alternatives before deciding whether or not to grant them. [57714]

Mr. George Howarth: We have undertaken to delete from the notes, for the completion of application forms for licences and certificates, the phrase "Your application will be treated in confidence at all stages". However, section 24 of the Animals (Scientific Procedures)

Act 1986 remains in force and we will not be able to disclose information that either has been given in confidence or we have reasonable grounds for believing was given in confidence. It remains the duty of the Animals (Scientific Procedures) Inspectorate to advise on applications.

Section 24 of the 1986 Act will be reviewed under our proposals for freedom of information legislation.

Intelligence and Security Committee

Mr. Baker: To ask the Secretary of State for the Home Department what response he has made to the proposal of the Intelligence and Security Committee to give itself an additional investigative capacity. [57570]

Mr. Straw: I refer the hon. Member to paragraph 21 of the Government Response to the Intelligence and Security Committee's Annual Report, which was published on 28 October 1998 (Cm 4089).

Drugs

Mr. Flynn: To ask the Secretary of State for the Home Department what plans he has to visit *(a)* Switzerland and *(b)* the Netherlands to study their illegal drug use reduction policies. [56915]

Mr. George Howarth: My right hon. Friend has no present plans to visit either Switzerland or the Netherlands to discuss drugs policies. Home Office officials are, however, in regular contact with their counterparts responsible for drug use reduction policies in those countries, through the Council of Europe and, in the case of the Netherlands, the European Union.

Juries

Mr. Gray: To ask the Secretary of State for the Home Department what plans he has to restrict the use of juries in criminal trials in the Crown courts. [56141]

Mr. Boateng: We have published two consultation papers this year about jury trials. The first paper, on use of juries in serious fraud trials, invited views on the principle of whether the system is likely to operate better and with a greater degree of public confidence if, in a small number of complex fraud trials, a traditional jury were to be replaced by another method of determining the facts. Views were also sought on four possible alternative methods of trial. The consultation paper on determining the mode of trial considered whether defendants should continue to be able to choose to be tried by a jury in cases which magistrates have indicated that they would be content to hear. We are currently considering the responses to both these consultation exercises.

Police

Miss Melanie Johnson: To ask the Secretary of State for the Home Department if he will publish the formula to be used to allocate resources to the areas transferring out of the Metropolitan Police to neighbouring police forces and the methodology used in its derivation. [57572]

Kate Hoey: The principal police funding formula will continue to be used to determine resource allocations for all forces and will be published in the Police Grant Report. The forces bordering the Metropolitan Police District (MPD) have indicated that there will be additional costs in 1999–2000 associated with the proposed changes to the MPD boundaries. We are considering their bids for extra funding to help meet these transitional costs. No decisions have yet been taken about the allocation of funding to forces bordering the Metropolitan Police or other forces for 1999–2000 or beyond. We expect to announce provisional funding allocations for 1999–2000 and the formula used in a draft Police Grant Report to be published towards the end of the year.

Hemp

Mr. Letwin: To ask the Secretary of State for the Home Department if he will make a statement on licence fee levels for the growing of hemp. [58254]

Mr. George Howarth: The licence fee for hemp cultivation was reviewed in 1997 in consultation with the National Farmers Union and representatives of the industry. The new annual fee has been set at £320; this is being phased in over this year and the next two.

Stolen Vehicles

Mr. Letwin: To ask the Secretary of State for the Home Department if he will assess the benefits of using laser-scanners to track stolen vehicles by reading licence plates. [58268]

Mr. Boateng: The Home Office and the Association of Chief Police Officers are currently considering how the most effective use can be made of automatic number plate recognition technology for law enforcement purposes.

Belmarsh Prison

Mr. Gerrard: To ask the Secretary of State for the Home Department what identity documents are required to be produced by people visiting prisoners at Belmarsh Prison. [57337]

Mr. George Howarth: Any of the following documents are accepted as proof of identity for visitors to prisoners at Belmarsh:

- Driving Licence
- Passport
- Utilities Bill
- Rent Book
- Benefit Book
- Immigration Papers
- Medical Card
- Letters on Official Headed Notepaper.

Domestic visitors to Category A prisoners are subject, in addition, to the Approved Visitors Scheme, which includes mandatory photographic identification which is verified by the local police.

Mr. Gerrard: To ask the Secretary of State for the Home Department what facilities are available at Belmarsh Prison to allow visits to prisoners by disabled people. [57336]

Mr. George Howarth: Wheelchair access is possible to the three areas of Belmarsh prison where visits take place. Male and female disabled toilets are available in the main visits hall. On entry to the prison disabled visitors are searched in a private cubicle.

Electoral Register

Mr. Letwin: To ask the Secretary of State for the Home Department if the Register of Electors is made available in electronic form to commercial mailing companies. [58253]

Mr. George Howarth: Regulation 55 of the Representation of the People Regulations 1986 gives electoral registration officers a discretionary power to supply electronic data copies of the register to non-electoral users. A fee is charged to cover the costs incurred.

The sale of the electoral register is being considered by the Working Party on Electoral Procedures, which I chair, following a short consultation exercise in the summer. One of the issues to be explored further will be the availability of copies of the register and the fee charged.

Firearms (Licence Fees)

Mr. Letwin: To ask the Secretary of State for the Home Department what plans he has to increase the shotgun licence fee. [58266]

Mr. Boateng: The Government have made it clear that they intend to review the fees charged for firearm and shotgun certificates in due course to see if any changes might be made to the current arrangements. Fees have always been set at a level that covers the cost of administration, and the Government have no intention of raising these to punitive levels.

Following the Dunblane tragedy, and the subsequent legislation, there has been a rise in the amount of work that the police are required to carry out in administering the licensing system. On this basis, it is only proper and realistic for us to look again at fee levels.

Proscribed Organisations

Mr. McNamara: To ask the Secretary of State for the Home Department what advice has been given, and what administrative guidelines issued, to ensure that an arrested person is aware of the implications of failing to mention a material fact concerning the offence of belonging to a proscribed and specified organisation; and if he will place in the Library a copy of such documents. [56316]

Mr. Straw: A letter was sent on 11 September to all Chief Officers of Police in England and Wales outlining the provisions of the Criminal Justice (Terrorism and Conspiracy) Act 1998 and advising that where a suspect has been arrested for an offence relating to membership of a proscribed organisation which is also specified, the interviewing officer should give a special warning after the standard caution. I have placed a copy of the letter in the Library.

Mr. McNamara: To ask the Secretary of State for the Home Department how many individuals have been *(a)* charged, *(b)* summarily convicted and *(c)* convicted on indictment under section 2 or the equivalent section of the Prevention of Terrorism (Temporary Provisions) Act 1989 relating to membership of a proscribed organisation in each year since enactment; what percentage of those convicted in each year received a prison sentence; and what percentage of those were sentenced to a term of less than one year. [56315]

Mr. Straw: Information is not collected centrally on the number of people charged.

We have no record of any prosecutions or convictions in England and Wales for offences under section 2 since the 1989 Act came into force.

Special Secure Units

Mr. McNamara: To ask the Secretary of State for the Home Department how many prisoners are presently detained in each special secure unit, stating *(a)* the nature of crimes for which the prisoner was convicted, *(b)* the national origin or citizenship of the prisoner, *(c)* their special category status, *(d)* how long the prisoner has been housed in an SSU and *(e)* how many three-monthly medical examinations have been conducted in that time. [56337]

Mr. George Howarth: On 29 October 1998, five prisoners were held in Special Secure Units (SSUs), four at Whitemoor and one at Belmarsh. Only prisoners categorised as Category A-Exceptional Escape Risk are held in SSUs.

The table gives the information requested including the number of three monthly medical reviews conducted. These reviews are part of the operating standards for SSUs and are provided in addition to the normal health care facilities available to every prisoner. Formal medical reviews were phased in during 1997.

Category A exceptional escape risk prisoners held in special secure units

Nationality	*Offence*	*Time spent in SSU*	*Number of three monthly health reviews*
American	Murder	3 years 5 months	5
British	Drugs offences	7 months	2
Colombian	Drugs offences	1 year 3 months	4
Turkish	Drugs offences	5 years 4 months	5
Turkish	Drugs offences	3 months	1

Irish Prisoners (European Convention)

Mr. McNamara: To ask the Secretary of State for the Home Department what guidance he has given to officials responding to Irish prisoners who seek repatriation under the European Convention for Sentenced Prisoners and are concerned that their application may be affected by the sentence review legislation required under the Belfast Agreement. [56338]

Mr. George Howarth: Officials deal with repatriation applications in accordance with Government policy.

Diarmuid O'Neill

Mr. McNamara: To ask the Secretary of State for the Home Department if he will order that copies of statements provided by police to the coroner be made available to the relatives of Diarmuid O'Neill at least four weeks prior to the opening of the resumed inquest into his death. [56339]

Mr. George Howarth: My right hon. Friend has no powers to direct the release of documents in connection with an inquest, but, wherever possible, we hope that information can be provided to families in advance.

Mr. McNamara: To ask the Secretary of State for the Home Department on what date he received the Police Complaints Authority report on the death of Diarmuid O'Neill; what prosecutions or disciplinary actions were recommended in the report; on what date the inquest will be resumed; on what dates the relatives of the deceased were informed of the circumstances of his death; and if he will place a copy of the report in the Library. [56317]

Mr. Boateng: The police investigation has been completed and copies of the report have recently been sent to the Police Complaints Authority (PCA), Her Majesty's Coroner and the Crown Prosecution Service. PCA investigation reports are not normally sent to the Home Secretary or made public.

Decisions as to any criminal or disciplinary action to be taken are matters for the Crown Prosecution Service, the Commissioner of the Metropolitan Police and the PCA. If the cause of death and the circumstances in which it occurred have not already been established in the course of criminal proceedings, the coroner may resume the inquest once the criminal proceedings are completed to inquire into these questions.

Schengen Agreement

Valerie Davey: To ask the Secretary of State for the Home Department if signatories of the Schengen Agreement now recognise the certificate of identity otherwise known as the brown British travel documents; what has been the impact of their policy on *(a)* those given exceptional leave to remain in the United Kingdom and *(b)* those unable to obtain a travel document or passport from their own country who have indefinite leave to remain; and what steps his Department has taken on this matter. [57720]

Kate Hoey: The Certificate of Identity issued to certain foreign nationals living in the United Kingdom is issued in accordance with international custom, complies with International Civil Aviation Organisation (ICAO) standards, and guarantees the holder's return to this country within its validity. However, we are aware that some holders of these documents experience difficulties when applying for visas to travel both within Europe and beyond.

It is a matter for the competent authorities of each country to decide whether to accept into their territory an individual or the holder of a particular type of document. This is not something over which the issuing authority can exert any influence.

Hillsborough Disaster

Maria Eagle: To ask the Secretary of State for the Home Department where *(a)* transcripts and *(b)* all additional material arising out of Lord Justice Stuart-Smith's scrutiny of the evidence relating to the Hillsborough disaster are held; and in what form. [57477]

Mr. Boateng: Transcripts of meetings, prepared by Harry Counsel and Co., are held in paper form at the Home Office. Additional material arising out of the scrutiny is also held in paper form at the Home Office. Copies of as much as possible of the evidence considered by Lord Justice Stuart-Smith have been placed in the Library. The scrutiny papers do not form part of the material held by South Yorkshire Police.

Maria Eagle: To ask the Secretary of State for the Home Department if South Yorkshire Police hold *(a)* transcripts and *(b)* the additional material arising out of Lord Justice Stuart-Smith's scrutiny of the evidence relating to the Hillsborough disaster on computer disk. [57478]

Mr. Boateng: South Yorkshire Police do not hold copies of either transcripts or additional material arising out of Lord Justice Stuart-Smith's scrutiny of the Hillsborough disaster. Hard copies of these documents are held on file at the Home Office.

Maria Eagle: To ask the Secretary of State for the Home Department if South Yorkshire Police hold the *(a)* statements, *(b)* amended statements and *(c)* other documentation collected by West Midlands police during the investigation of the Hillsborough disaster on computer disk. [57480]

Mr. Boateng: All statements collected by West Midlands Police during the investigation into the Hillsborough disaster, including the amended statements by South Yorkshire Police officers, are held by South Yorkshire Police in their original paper form, and also on the HOLMES computer. Other documents collected by West Midlands Police are also held by South Yorkshire Police in their original form, but were not entered on the HOLMES computer.

Maria Eagle: To ask the Secretary of State for the Home Department if statements collected by West Midlands Police in respect of the Hillsborough investigation were entered on the Holmes computer. [57481]

Mr. Boateng: I can confirm that statements collected by West Midlands Police in respect of the Hillsborough investigation were entered on the HOLMES computer.

Police Statements

Maria Eagle: To ask the Secretary of State for the Home Department for what length of time statements entered on the Holmes computer are retained and what arrangements are made for their archival storage when they are removed from the computer system. [57479]

Mr. Boateng: I understand that under rules developed by the Crime Committee of the Association of Chief Police Officers, information, such as witness statements, generated during a police investigation and entered onto Holmes is retained on the computer while the case remains active and then transferred to magnetic tape for archival storage. Information relating to closed cases for which a life sentence has been awarded is retained for the life of the convicted offender. For determinate sentences, the data are retained until all the appeal procedures have been exhausted, until the release of the offender, or for six years, whichever is the longer. Information relating to unsolved investigations or closed cases of national importance is retained indefinitely.

Criminal Injuries Compensation Board

Mr. Efford: To ask the Secretary of State for the Home Department what plans he has to increase the capacity of the Criminal Injuries Compensation Board to deal with outstanding appeals. [57401]

Mr. Boateng: The Board's programme, which we have approved, aims to clear appeals and other hearings cases at an annual rate of 10,000 so that the remaining work is completed by March 2000. The membership of the Board is currently 49 senior lawyers operating on a part-time basis. They are supported by legal and administrative staff. Given the increased complexity of the remaining cases, Lord Carlisle of Bucklow QC, the Board's Chairman, knows that we are open to recommendations as to the complement and composition of the Board and he has put forward two additional appointments for consideration. One additional Scottish member has recently been appointed by my right hon. Friend the Secretary of State for Scotland.

Mr. Efford: To ask the Secretary of State for the Home Department how many applications to the Criminal Injuries Compensation Board originating in each year since 1990 *(a)* were completed at first instance, *(b)* were agreed at first instance, *(c)* were refused at first instance and *(d)* subsequently went to appeal. [57397]

Mr. Boateng: Comprehensive data are not available by year of receipt of the claim. The table gives data on cases resolved at first instance in 1990–91 to 1997–98.

Year	*Single member decisions accepted*	*Awards made*	*Claims refused*
1990–91	44,179	32,135	12,044
1991–92	49,009	35,268	13,741
1992–93	47,462	32,893	14,569
1993–94	53,680	33,982	19,698
1994–95[1]	44,528	27,924	16,604
1995–96	65,990	42,124	23,866
1996–97[2]	53,824	32,906	20,918
1997–98	12,012	8,014	3,998

[1] The first Tariff Scheme was introduced on 1 April 1994 and withdrawn on 5 April 1995. During that period there were thus no new claims for assessment by the CICB, but all that year's intake reverted to such assessment from April 1995.

[2] The Tariff-based Scheme made under the Criminal Injuries Compensation Act 1995 became effective for all claims received on or after 1 April 1996.

Mr. Efford: To ask the Secretary of State for the Home Department how many appeals to the Criminal Injuries Compensation Board are yet to be resolved for each year since 1990. [57399]

Mr. Boateng: The position at 30 September 1998 was:

Year of receipt of original claim	*Appeal/hearings cases to be resolved*
Pre-1990	240
1990	162
1991	365
1992	525
1993	862
1994	2,656
1995	6,887
1996[1]	3,395
Total	[2]15,092

[1] 31 March 1996 was the final date on which a claim under the 1990 scheme was received.

[2] The total includes a number of cases resolved in previous years but re-opened on medical grounds.

Mr. Efford: To ask the Secretary of State for the Home Department what plans he has to reduce the period of time that applicants to the Criminal Injuries Compensation Board wait for their cases to be processed. [57403]

Mr. Boateng: The 1990 common law based damages scheme administered by the Criminal Injuries Compensation Board was replaced for claims received on or after 1 April 1996 by the Tariff-based scheme, administered by the Criminal Injuries Compensation Authority. The new scheme is designed to be simpler and faster in processing cases. At 1 April 1996, the Board had some 110,000 unresolved claims. By 30 September 1998 that figure had been reduced to 17,490, which reflects good progress in the planned, orderly clearance of the Board's remaining work by March 2000. The 92,510 1990 scheme claims thus resolved, compares with 107,650 resolved under the 1996 scheme in the same period from its standing start on 1 April 1996.

Mr. Efford: To ask the Secretary of State for the Home Department how many appeals to the Criminal Injuries Compensation Board were successful in each year since 1990. [57398]

Mr. Boateng: The table gives the number of cases resolved at an oral hearing and the outcome in awards made in 1990–91 to 1997–98.

Year	*Number of cases heard*	*Number of full or reduced awards made*	*Percentage*
1990–91	5,852	3,055	52.2
1991–92	8,909	3,981	49.2
1992–93	7,896	3,745	47.4
1993–94	7,340	4,094	55.7
1994–95	8,905	4,567	51.3
1995–96	7,350	3,976	54.1
1996–97	8,338	4,072	48.8
1997–98	7,410	3,518	47.5
Total	62,000	31,008	50.0

In addition to the total of 62,000 heard, a further 15,352 appeals cases were resolved without a hearing. Data on the number of these resulting in an award are not available without disproportionate cost.

Mr. Efford: To ask the Secretary of State for the Home Department how many cases have been refused by the Criminal Injuries Compensation Board on the grounds that the applicant did not co-operate with the Police. [57402]

Mr. Boateng: In the period 1990–91 to 1997–98, 155,833 claims were refused by the Board. Of these, 37,945 (24 per cent.) concerned failure by the applicant in reporting to, or otherwise co-operating with, the police.

Mr. Efford: To ask the Secretary of State for the Home Department if he will allow applicants to the Criminal Injuries Compensation Board to see *(a)* police evidence and *(b)* other relevant evidence in advance of any appeal hearing. [57400]

Mr. Boateng: The arrangements whereby the Criminal Injuries Compensation Board obtains information from the police are governed by an agreement between the Association of Chief Police Officers, the Home Office and the Board. These arrangements, which I have no plans to seek to change, include an undertaking by the Board not

to disclose police documentary material to applicants, with the exception of witness statements, which are made available to applicants at an appeal hearing and recovered at the end of the proceedings. If other police information is at issue, the applicant is notified and the police officer will be called to give oral evidence which is open to examination and cross-examination by the applicant. All other material is sent to the applicant well in advance of the hearing. The Board members hearing the case have precisely the same documents before them as the applicant. They, too, rely solely on the oral evidence brought out at the hearing in relation to police information.

Superstores

Ms Kingham: To ask the Secretary of State for the Home Department how many fires were attended by rescue services in single storey uncompartmentalised warehouse style superstores of *(a)* over 2,000 square metres and *(b)* over 4,000 square metres in (i) 1990 to 1995, (ii) 1996, (iii) 1997 and (iv) 1998 to date. [57675]

Mr. George Howarth: The information requested is not available centrally.

Probation Service

Mr. Steinberg: To ask the Secretary of State for the Home Department what plans he has to reform the Probation Service; and if he will make a statement. [57392]

Mr. George Howarth: Our proposals for modernising the probation services of England and Wales are set out in the consultation document "Joining Forces to Protect the Public", which was published on 6 August this year. The consultation will conclude on 27 November. Also relevant are our proposals set out in the consultation paper "Support Services in Family Proceedings—Future Organisation of Court Welfare Services", which was published on 30 July. This consultation will conclude on 13 November. Copies of both consultation documents are available in the Library. In both cases, there will be no decisions taken until all the responses have been carefully considered.

Senator Pinochet

Mr. Wilshire: To ask the Secretary of State for the Home Department when he was first informed that an international warrant for the arrest of Senator Pinochet had been issued; and who informed him. [57413]

Mr. Straw: I was told by my office during the evening of Friday 16 October.

Mr. Wilshire: To ask the Secretary of State for the Home Department if he will list those people who consulted him or his officials about the diplomatic status of Senator Pinochet prior to the senator's arrest. [57427]

Mr. Straw: Neither I nor my officials were consulted about Senator Pinochet's diplomatic status.

Mr. Wilshire: To ask the Secretary of State for the Home Department when his officials were informed that Senator Pinochet had entered the United Kingdom on his current visit. [57396]

Mr. Straw: An immigration officer granted Senator Pinochet leave to enter the United Kingdom on 22 September 1998. Officials elsewhere in the Home Office were only alerted to Senator Pinochet's presence on 14 October.

Mr. Wilshire: To ask the Secretary of State for the Home Department what representations he has received from the Spanish authorities about the extradition of Senator Pinochet; and when. [57411]

Mr. Straw: I received no such representations.

Surveillance (Complaints)

Mr. Brake: To ask the Secretary of State for the Home Department how many complaints have been made about the Security Service through the Security Service tribunal relating to telephone taps, letter intercepts and close surveillance in each of the last five years; and how many of the complaints made in each of those years has been upheld. [57913]

Mr. Straw: The available information regarding complaints about the Security Service made to the Security Service Tribunal is published in the Annual Reports of the Security Service Commissioner. The numbers are as follows:

Year	*Number of complaints received*
1993	36
1994	42
1995	21
1996	34
1997	45

The table details the number of complaints relating to property received by the Security Service Tribunal and referred to the Commissioner in accordance with paragraph 4(1) of Schedule i to the Security Service Act 1989:

Year	*Number of complaints received*
1993	11
1994	19
1995	12
1996	10
1997	14

The available information regarding complaints to the Interception of Communications Tribunal is published in the Annual Reports of the Interception Commissioner. The numbers are as follows:

Year	*Number of complaints received*
1993	41
1994	37
1995	64

Year	Number of complaints received
1996	52
1997	79

No determination in favour of a complainant has been made by either Tribunal.

Channel Islands

Sir Teddy Taylor: To ask the Secretary of State for the Home Department if he will make a statement on the result of the review of the financial legislation in Crown dependencies announced on 20 January, with particular reference to the Channel Islands. [57754]

Mr. George Howarth: I refer the hon. Member to the reply my right hon. Friend gave to my hon. Friend the Member for Great Grimsby (Mr. Mitchell) on 26 October 1998, *Official Report,* column 4.

Asylum Seekers

Mrs. Lait: To ask the Secretary of State for the Home Department what steps he is taking to estimate future numbers of refugees and asylum seekers; what plans he is making for their reception; and if he will make a statement. [57684]

Kate Hoey: It is impossible to predict with any degree of accuracy what the future numbers of asylum seekers in the United Kingdom will be. The flow depends on a number of factors, reflecting conflicts, political instability and migratory pressures around the world. We are however looking at recent trends and also looking to make judgments on how the measures announced in the White Paper will affect the number of asylum applications. The results of our analysis will be available shortly.

The Government's plans to introduce a new support system for asylum seekers are set out in chapter 8 of the White Paper "Fairer, Faster and Firmer—a modern approach to immigration and asylum" (CM 4018).

Mr. Waterson: To ask the Secretary of State for the Home Department what further *(a)* policy and *(b)* financial responses are being considered to deal with problems on the South Coast, arising from the influx of asylum seekers; and if he will make a statement. [58207]

Kate Hoey: Asylum seekers who register their application when they arrive in this country may be eligible for income support. In-country applicants may be eligible for support under the National Assistance Act 1948 or (in the case of children) under the terms of the Children Act 1989. In the latter case, the obligation to provide support falls on the local authority.

I am aware of the pressures being faced by a small number of local authorities in coping with the recent influx of asylum seekers. I have, therefore, encouraged the Local Government Association (LGA) and the Association of London Government (ALG) to develop a clearing house arrangement which will enable asylum seekers to be dispersed on a fair and equitable basis around the country. I am aware of the financial disincentives in the current grant arrangements by which local authorities recover part of their costs in providing a support to asylum seekers. Provided the LGA and the ALG can introduce a workable system for the support of asylum seekers, the Government propose to change the grant arrangements for this year to enable local authorities to be paid on the basis of unit costs which are realistic but challenging.

For the longer term, the Government plan to introduce a new support system for asylum seekers as set out in chapter 8 of the White Paper, "Fairer, Faster and Firmer—A Modern Approach to Immigration and Asylum" (Cm 4018).

TRADE AND INDUSTRY

Millennium Compliance

Mr. Brady: To ask the Secretary of State for Trade and Industry what assessment he has made of the steps taken by the nuclear industry to ensure that it is fully millennium-compliant. [57762]

Mr. Battle: All UK nuclear operators have initiated major programmes of work to address potential problems associated with the century date change issue. Those aspects of these programmes that address potential safety concerns are being monitored closely by the Health and Safety Executive (HSE). The HSE is satisfied with the actions being taken. If the HSE were not satisfied it could make use of its extensive powers to require nuclear site licensees to undertake any safety-related actions it considered necessary. Operators anticipate that all essential work will be completed by mid-1999. Systems will be re-tested thoroughly to provide confirmation that remedial action taken to rectify any safety problems that are identified has been effective. Contingency plans will also be in place for the critical dates as a precaution against unforeseen threats to safety.

Marine Sector

Dr. Cable: To ask the Secretary of State for Trade and Industry what estimate he has made of the contribution to the United Kingdom economy of the marine sector in terms of *(a)* its share of national value added and *(b)* employment. [57088]

Mr. Battle: There is no standard definition of the marine sector. Furthermore, some of the industries which might reasonably be included, such as marine equipment, are not available from official statistics, usually because they are not separately identified within the Standard Industrial Classification. However, the following information is available

Standard Industrial Classification 1992	Description	Percentage of GDP 1996	Percentage of employee Jobs[1] 1996
35.1	Building and repairing of ships and boats	0.2	0.2
61	Sea and inland water transport	0.3	0.1

[1] Excludes self employment
Source:
Office for National Statistics: input/output tables, Annual Employment Survey

Aerospace Industry

Mr. Collins: To ask the Secretary of State for Trade and Industry what meetings he had to discuss the aerospace industry during his recent visit to the United States. [56477]

Mr. Battle *[holding answer 26 October 1998]:* My right hon. Friend the Secretary of State for Trade and Industry takes a close interest in the aerospace industry. His recent visit to the United States however focused on computing, information technology and new media, emerging technologies, and biotechnology and pharmaceuticals. He also discussed inward investment issues. Aerospace issues were not discussed on this occasion.

Mr. Collins: To ask the Secretary of State for Trade and Industry what assessment he has made of the strategic and industrial implications of a merger between British Aerospace and DASA of Germany; and if he will make a statement. [56474]

Mr. Battle: As my right hon. Friend the Prime Minister has made clear since his statement with the German and French Heads of Government on 9 December last year, there is an urgent need to restructure the aerospace and defence industries in Europe.

It would be for companies themselves to come forward with any specific merger proposals, which would be subject to consideration by the appropriate competition authorities in the usual way.

Mr. Collins: To ask the Secretary of State for Trade and Industry what assessment his Department has made of the scale of US Government support for the research and technology efforts of US aerospace companies; if he will take measures to match this proportionately; and if he will make a statement. [56467]

Mr. Battle *[holding answer 26 October 1998]:* The most recent information available from NASA indicated that its office of aeronautics had a budget of over $940 million for civil aeronautical research and technology. In addition, other US Government bodies provide significant support to the research and technology efforts of US aerospace companies. My Department examines these figures and, with our European partners, has regular discussions with the US Government about levels of such support.

No decisions have yet been made about detailed DTI budget allocations in future years.

Miners (Compensation)

Mr. Dalyell: To ask the Secretary of State for Trade and Industry what steps his Department has taken to ensure that trade unions are fully consulted in compensation negotiations for Scottish miners for *(a)* occupational respiratory diseases and *(b)* vibration white finger. [57577]

Mr. Battle: We have been keen at every stage to consult with all appropriate bodies and their agents, including the relevant trade unions, in negotiations relating to claims for compensation by miners throughout the United Kingdom, including Scotland, in respect of occupational respiratory diseases and vibration white finger. The solicitors acting on behalf of the National Union of Mineworkers (Scotland Area) have had regular communications from our claims handling agents, IRISC. This is in addition to the information which we understand those solicitors have received from plaintiff's organisations and Steering Groups in England and Wales who are meeting direct with my officials and IRISC on a regular basis.

Mr. Dalyell: To ask the Secretary of State for Trade and Industry what steps his Department has taken to *(a)* supervise, *(b)* monitor and *(c)* facilitate negotiations relating to compensation for Scottish miners for (i) occupational respiratory disease and (ii) vibration white finger. [57576]

Mr. Battle: We have, following the recent test case litigation, in England and Wales, in relation to both occupational respiratory disease and vibration white finger, been closely and continuously involved with our claims handling agents, IRISC, in respect of a broad range of complex medical and legal issues arising out of the respective judgments, in relation to claims submitted on behalf of not just English and Welsh claimants but also Scottish claimants. We have instructed our Scottish solicitors to represent our interests in relation to Scottish claims. They and IRISC have been instructed to keep the National Union of Mineworkers (Scotland Area) fully informed of the progress of the negotiations in England and Wales. The intention is to secure as quickly as possible efficient handling arrangements for the prompt, consistent and fair resolution of claims submitted on behalf of all miners in Scotland, England and Wales.

Motor Industry

Mr. Jenkins: To ask the Secretary of State for Trade and Industry how many people are employed in the car industry in the West Midlands. [57131]

Mr. Battle *[holding answer 29 October 1998]:* According to the 1996 Census of Production, some 80,000 people in the West Midlands are directly employed in the automotive industry. This figure includes those directly employed by vehicle manufactures and those in the supply chains.

Mr. Jenkins: To ask the Secretary of State for Trade and Industry if he will make a statement on the prospects for the motor industry *(a)* nationally and *(b)* in the West Midlands. [57132]

Mr. Battle *[holding answer 29 October 1998]:* Overall prospects for the industry remain buoyant. New car sales in 1998 are expected to total 2.2 million, the highest figure this decade. New investments announced so far this year total £1,550 million with 4,000 new jobs created in the last 6 months alone.

The recent launch of the new S-type Jaguar involves a £400 million investment in the West Midlands with 1,300 new jobs. Two other new models also launched at the Motor Show last week, and manufactured in the West Midlands, are Peugeot's new 206 model and the R75 from Rover. These new models will be key to the future of the motor industry in the region; all have been well-received.

Mr. Jenkins: To ask the Secretary of State for Trade and Industry what new measures he proposes to assist the motor car industry *(a)* nationally and *(b)* in the West Midlands. [57133]

Mr. Battle: With £1.55 billion of new investment and over 4,000 new jobs created so far this year, the car industry in the UK remains strong. It is not this Government's intention to single out any specific sector for special measures. Instead we are putting in place policies to build a stable economy capable of sustaining steady growth with particular emphasis on raising productivity and controlling inflation. This will benefit all sectors.

However, maintaining and enhancing productivity are a constant challenge for the industry. Companies have been working to put in place competitive practices and to deliver models which customers want to buy. Rover in particular is looking at these issues again in an effort which involves close and ongoing discussions between the management and workforce in the West Midlands. We will maintain a close interest in their progress.

Non-fossil Fuel Obligation

Mr. Öpik: To ask the Secretary of State for Trade and Industry (1) what plans his Department has to change the current bidding system for gaining a non fossil fuel obligation contract; and if he will make a statement; [57977]

(2) if his Department will introduce measures to allow the payment of green electricity subsidy payments to small wind power producers outside the non fossil fuel obligation scheme; and if he will make a statement; [57978]

Mr. Battle: This Government propose to undertake a new and strong drive to develop renewable energy sources in line with their manifesto commitment. To this end, I have commissioned a review of policy including considerations of what would be necessary and practicable to achieve 10 per cent. of UK electricity needs from renewables by the year 2010 and how renewables can make an effective contribution to meeting requirements for future greenhouse gas reduction commitments.

That review is considering both support mechanisms for renewable energy, such as NFFO—and including the current bidding system—and the development of the green electricity market in the UK as well as the links between Government support and market development.

My Department has also recently issued a public consultation paper on the future of gas and electricity regulation, entitled "A Fair Deal for Consumers—Modernising the Framework for Utility Regulation", which is considering a number of wider issues affecting the electricity industry, including proposals on the separate licensing of supply and distribution. My Department will be consulting on how the NFFO might be adapted to such new circumstances.

A number of companies operating in the green electricity market now developing outside the NFFO arrangements already offer a green premium to small renewable power producers generating from a number of renewable energy sources.

Mr. Öpik: To ask the Secretary of State for Trade and Industry (1) what measures his Department has taken since 1 May 1997 to encourage the generation of power using *(a)* onshore and *(b)* offshore wind turbines; and if he will make a statement; [57975]

(2) what plans his Department has to provide financial assistance to individuals and communities for the erecting and running of wind turbines; and if he will make a statement. [57976]

Mr. Battle: As a first step in the Government's new and strong drive for renewables, I announced the fifth and largest Non-Fossil Fuel Obligation (NFFO-5) Order on 24 September 1998 of 1177 MW. This includes 36 projects, comprising 28 MW of contracted capacity from the special band for small wind turbines which is of particular interest to individuals or communities.

My current review of renewable energy is considering the contribution each renewable energy source could make, including onshore and offshore wind energy, the barriers to deployment and the measures which may be necessary to overcome them, and the need for research, development, demonstration and dissemination. I expect to make an announcement about the Review later this year.

In the meantime, my Department's New and Renewable Energy Programme continues to support a wide range of research projects related to wind energy and geared mainly towards onshore deployment, stimulated by successive Orders under the Non-Fossil Fuel Obligation. The Programme has also funded a series of studies related to community involvement in and development of renewable energy schemes and has produced a useful guide entitled "Community involvement in renewable energy projects—A guide for community groups". My Department has also worked with Triodos Bank towards the successful launch of the Wind Fund.

Also in September this year, I took a major step towards generating electricity from offshore wind by launching a consultation document on arrangements for incorporating the development of offshore wind energy into the Non-Fossil Fuel Obligation Order (NFFO) process. Current work on offshore wind, includes monitoring the development of the first offshore wind

NFFO project, at Blythe, and assessing the commercial opportunities for UK manufacturing industry within the offshore wind arena.

Nuclear Fuel

Mr. Llew Smith: To ask the Secretary of State for Trade and Industry what quantities of irradiated spent magnox fuel imported from Italy are currently in store at Sellafield; and what safeguards are applied to this spent fuel. [57097]

Mr. Battle: individual quantities of spent fuel stored or reprocessed at Sellafield for specific customers are a commercial matter for BNFL and their customers. All civil nuclear material in the United Kingdom is subject to Euratom and IAEA safeguards.

Mr. Llew Smith: To ask the Secretary of State for Trade and Industry what assessment he has made of the impact on policy in the United Kingdom of the decision by the German Government on 20 October to change their policy in respect of support for nuclear fuel reprocessing. [57091]

Mr. Battle: The new German Government have so far given only the outline of their policy on nuclear issues, including reprocessing of spent fuel. The details, including the implications for British Nuclear Fuels' reprocessing contracts with the German power utilities, remain to be clarified.

Mr. Llew Smith: To ask the Secretary of State for Trade and Industry what arrangements have been made with the Italian authorities for the return of reprocessing wastes from Sellafield. [57094]

Mr. Battle: Since 1976 all new contracts for reprocessing of overseas spent fuel have contained options for return of wastes. The Government intend that such options should be exercised and that wastes arising from reprocessing be returned to the country of origin. It has been the practice of successive Governments to obtain, before a contract for the reprocessing of foreign spent fuel is signed, assurances from the relevant government that it will take no legislative or regulatory steps to prevent the return of wastes arising under the contract. The adequacy of the facilities for managing those wastes is a matter for their owners and the regulatory authorities of the country concerned in accordance with the relevant legislation of that country.

Mr. Llew Smith: To ask the Secretary of State for Trade and Industry what quantities of *(a)* low level, *(b)* intermediate level and *(c)* high level radioactive waste arising from the reprocessing of irradiated spent magnox fuel from Italy are currently stored at Sellafield; and if these wastes are covered by return-to-sender contractual obligations in the reprocessing contracts with Italy. [57096]

Mr. Battle: Each tonne of spent nuclear fuel reprocessed gives rise to approximately four cubic metres of low level waste containing 0.001 per cent. of the radioactivity, one cubic metre of intermediate level waste containing 1 per cent. of the radioactivity, and one tenth of one cubic metre of high level waste containing 1 per cent. of the radioactivity, and one tenth of one cubic metre of high level waste containing 99 per cent. of the radioactivity. Individual quantities of spent fuel stored or reprocessed at Sellafield for specific customers are a commercial matter for BNFL and its customers. Since 1976 all new contracts for reprocessing of overseas spent fuel have contained options for return of wastes. The Government intend that such options should be exercised and that wastes arising from reprocessing be returned to the country of origin.

EDUCATION AND EMPLOYMENT

Fair Funding

Dr. Starkey: To ask the Secretary of State for Education and Employment what were the total numbers of responses to the consultation on "Fair Funding: improving delegation to schools"; and how many were *(a)* in favour of and *(b)* opposed to the proposals. [57081]

Ms Estelle Morris: 2,967 responses were received. Most of them contained a range of views on the different measures, although broadly speaking secondary schools favoured more delegation whilst primary schools preferred to keep LEA services. GM schools favoured the increased delegation while LEAs expressed concern. I am sending my hon. Friend a summary analysis of the responses and placing copies in the Library.

Public Appointments

Mr. Vaz: To ask the Secretary of State for Education and Employment if he will publish the names of those people he has appointed to public bodies since 1 May 1997, indicating the positions to which they have been appointed, and whether they receive remuneration. [56744]

Mr. Mudie: The information requested is given in the table. My hon. Friend will wish to note that this information will be in the Department's Annual Report when it is published next year, and is also accessible through the Public Appointment Unit's Internet Website.

Name	*Position*	*Remuneration*
Centre for Information on Language Teaching		
Derek Winslow[1]	Governor	None
Andrew Yeomans	Governor	None
Richard Bunker	Governor	None
Jeremy Arliss	Governor	None
Anthony Lunch	Governor	None
Construction Industry Training Board		
Michael Fitchett	Board member	None
Herbert Baggaley	Board member	None
Stewart Tilley	Board member	None
Oliver Robbins	Board member	None
David Barrass	Board member	None
George Brumwell[1]	Board member	None
Malcolm Harris	Board member	None
George Henderson[1]	Board member	None
John Milne	Board member	None
Brian Lee	Board member	None
Engineering Construction Industry Training Board		
Norman Dunlop[1]	Chairman	None
Mike Hockey	Board member	None
Derek Mowforth	Board member	None
Hugh Rees	Board member	None
Barbara Rider	Board member	None
Peter Miller	Board member	None
Rae Angus[1]	Board member	None
Steven Probert[1]	Board member	None
Ian Bell[1]	Board member	None
Ken Turnbull[1]	Board member	None
David Odling[1]	Board member	None
John Lee[1]	Board member	None
David Hewitt[1]	Board member	None
Ron McCaffer[1]	Board member	None
Equal Opportunities Commission		
Ms Anne Gibson[1]	Commissioner	£123 per day
Richard Grayson[1]	Commissioner	£123 per day
Joan Stringer[1]	Commissioner	£123 per day
Mary Berg[1]	Commissioner	£123 per day
Peter Smith[1]	Commissioner	£123 per day
Teresa Rees[1]	Commissioner	£123 per day
Funding Agency for Schools		
Sir Anthony Tippet	Chairman	£30,000 per annum
Robert Lloyd	Board member	£155 per meeting
Professor David Johns	Board member	£155 per meeting
Miss Louise Anne Kidd	Board member	£155 per meeting
Roy Jobson	Board member	£155 per meeting
The Rev. Dr. Alan Billings	Board member	£155 per meeting
Robin Wendt	Board member	£155 per meeting
David Mallen	Board member	£155 per meeting
Linda Wedgbury[1]	Board member	£155 per meeting
Stella Earnshaw	Board member	£155 per meeting
John Chastney	Board member	£155 per meeting
George Phipson	Board member	£155 per meeting
Rodney East[1]	Board member	£155 per meeting
Further Education Funding Council		
Lord Davies of Oldham	Chairman	£37,000 per annum
Imtiaz Farookhi	Board member	£4,000 per annum
John Merry	Board member	£4,000 per annum
Lord Newton of Braintree	Board member	£4,000 per annum
George Sweeney	Board member	£4,000 per annum
Christina Cassidy	Board member	£4,000 per annum
David Eade[1]	Board member	£4,000 per annum
FEFC—Yorkshire and Humberside Region		
David Wille	Board member	None
Yvonne Rose	Board member	None
Professor Robert Fryer	Board member	None
Deanne Drake	Board member	None
Robert Fryer	Board member	None
David Gilchrist	Board member	None
Yvonne Roase	Board member	None
Robert Sowman	Board member	None
David Wilce	Board member	None
FEFC—East Midlands Region		
Jim Shearer	Chair	None
Jane Daw	Board member	None
Iain MacDonald	Board member	None
Sian MacDonald	Board member	None
Norman Riches	Board member	None
Michael Scott	Board member	None
FEFC—Eastern Region		
Lord Newton of Braintree	Chair	None
David Ellerby	Board member	None
Kim Parish	Board member	None
Jim Thakoordin	Board member	None
FEFC—Northern Region		
David Midgeley	Chair	None
Geoffrey Crispin	Board member	None
Keith Mitchell	Board member	None
Ian Todd	Board member	None
FEFC—North West Region		
James Lusty	Board member	None
Anne Weinstock[1]	Board member	None
FEFC—Greater London Region		
Stephen Grix	Board member	None
FEFC—South East Region		
David Main	Board member	None
Fred McCrindle	Board member	None
Kenneth Saxby	Board member	None

Name	Position	Remuneration
Karen Evans	Board member	None
FEFC—South West Region		
David Fryer'	Chair	None
John Bull	Board member	None
Richard Ely	Board member	None
Leighton Greenham	Board member	None
Mike Kelsey	Board member	None
Fiona McMillan	Board member	None
Geoffrey Rees	Board member	None
Higher Education Funding Council for England		
Dorma Urwin	Board member	£4,000 per annum
Professor Ron Cooke	Board member	£4,000 per annum
Dr. Keith Taylor	Board member	£4,000 per annum
Mrs. Joan Bingley'	Board member	£4,000 per annum
Caroline Neville	Board member	£4,000 per annum
Professor Sir Gareth Roberts	Board member	£4,000 per annum
Dr. David Potter, CBE	Board member	£4,000 per annum
Professor Marilyn Butler	Board member	£4,000 per annum
Dr. John Strickson'	Board member	£4,000 per annum
Miss Janet Trotter'	Board member	£4,000 per annum
Professor Sir Colin Campbell'	Board member	£4,000 per annum
Dr. Robert Telfer'	Board member	£4,000 per annum
Professor Kay-Tee Khaw'	Board member	£4,000 per annum
Mrs. Joan Bingley'	Board member	£4,000 per annum
Sir Michael Checkland	Chairman	£37,822 per annum
Barbara Stephens'	Board member	£4,000 per annum
Investors In People UK		
Dr. Louise Wallace	Board member	None
Qualifications and Curriculum Authority		
Sir William Stubbs	Chairman	£47,000 per annum
Sir Dominic Cadbury	Deputy Chairman	None
Professor Robin Alexander	Board member	None
Geoffrey Ashton	Board member	None
Mrs. Anne Duke	Board member	None
Dr. Philip Evans	Board member	None
Dr. Philip Hunter	Board member	None
Mrs. Patricia Lee	Board member	None
Ian McAllister	Board member	None
Mrs. Patricia Morgan-Webb	Board member	None
Sir George Quigley	Board member	None
Heather Rabbatts	Board member	None
Professor Ted Wragg	Board member	None
Remploy		
Mrs. Sarah Brown	Non-Exec Director	None
Peter Cooke	Non-Exec Director	None
David Winterbottom'	Non-Exec Director	None
National Advisory Council on Employment of People with Disabilities		
Alan Smith'	Chairman	None
Paul Newman'	Council member	None
Guinette Davies'	Council member	None
Rita Donaghy'	Council member	None
Richard Exell'	Council member	None
Professor Ian Bruce'	Council member	None
Stephen Duckworth, OBE'	Council member	None
Dr. Ann Fingret'	Council member	None
Sir Peter Large, CBE'	Council member	None
Bert Massie, MBE'	Council member	None
Timothy Pape, OBE'	Council member	None
Susan Scott-Parker'	Council member	None
Richard Sermon'	Council member	None
Ian Sneddon'	Council member	None
John Spencer'	Council member	None
Dianah Worman'	Council member	None
National Disability Council		
Alan Smith	Council member	£119 per day
D. Alker'	Council member	£119 per day
C. Low'	Council member	£119 per day
D. Mills'	Council member	£119 per day
H. McConnell'	Council member	£119 per day
M. Wallace	Council member	£119 per day
P. Highes	Council member	£119 per day
S. Scott-Parker	Council member	£119 per day
G. Morbey	Council member	£119 per day
P. Friend	Council member	£119 per day
J. Downer	Council member	£119 per day
Teacher Training Agency		
Professor Clive Booth	Chairman	£15,759 per annum
Dr. Peter Knight, OBE'	Board member	None
Miss J. Trotter'	Board member	None
Lady Marie Stubbs	Board member	None
John Steele	Board member	None
Professor John Gray	Board member	None
Waheed Alli	Board member	None
Paul Ennals	Board member	None
Keith Anderson	Board member	None
Mrs. Patricia Pritchard	Board member	None
Advisory Committee for Disabled People in Employment and Training		
Kenneth Stevens	Board member	None
Diana Holland	Board member	None
David Bradford	Board member	None
Roger Little	Board member	None
Timothy Pape, OBE	Board member	None
Susan Scott-Parker	Board member	None
Sue Maynard-Campbell	Board member	None
Ian Sneddon	Board member	None
Sharon Collins	Board member	None
John Cornwall	Board member	None
Rosemary Hallam	Board member	None
Raymond Fletcher	Board member	None

' These are reappointments

Ofsted Inspections

Mr. Ennis: To ask the Secretary of State for Education and Employment (1) how many *(a)* secondary, *(b)* junior and *(c)* infant schools under local education authority control in England and Wales were contracted out for inspection on behalf of Ofsted in (i) 1995, (ii) 1996, (iii) 1997 and (iv) 1998 to date; [57489]

(2) how many contractors are nominated by Ofsted to carry out inspections in schools in England and Wales; [57490]

(3) how many *(a)* secondary, *(b)* junior and *(c)* infant schools under local education authority control in England and Wales were inspected by Ofsted in (i) 1995, (ii) 1996, (iii) 1997 and (iv) 1998 to date. [57491]

Ms Estelle Morris: This is a matter for HM Chief Inspector of Schools. I have asked him to write to my hon. Friend and to place a copy of his reply in the Library.

School Standards (Consultation Papers)

Mrs. May: To ask the Secretary of State for Education and Employment if he will list the consultation papers which have been circulated to *(a)* schools and *(b)* local education authorities arising from the School Standards and Framework Act 1998, indicating in each case the consultation period provided. [57706]

Ms Estelle Morris: The table sets out the information requested.

Consultations arising from the School Standards and Framework Act 1998

Consultation	*Weeks given for reply*	*Sent to LEA*	*Sent to schools*
1998			
February			
LEA Education Development Plans: Draft Guidance	10	Y	Y
March			
LEA-School Relations: Draft Code of Practice	10	Y	Y (GM schools)
Early Education and Day Care: Draft Regulations	10	Y	Y
April			
Parent Governor Representatives on Education Committees: A Consultation Paper	14	Y	N
Reducing Infant Class Sizes: Draft Guidance and Outline Regulations	7	Y	N
May			
Fair Funding: Improving Delegation to Schools: Consultation Paper	9	Y	[1]Y
The Education (Allocation of Grant-Maintained and Grant-Maintained Special Schools to New Categories): Draft Regulations	8	Y	N
June			
School Admissions: Draft Interim Guidance	5	Y	Y
Education (Grammar School Designation) Draft Order, together with the Education (Grammar School Ballots) Draft Regulations	8	Y	Y (grammar schools)
The Religious Character of Schools (Designation Procedure) Draft Regulations and the Designation of Schools Having a Religious Character Draft Order	10	Y	Y (50 schools)
July			
Home School Agreements: Draft Guidance	10	Y	Y (500 schools)
Target Setting for Reducing Exclusions and Unauthorised Absence: Consultation Paper	10	Y	Y (secondary schools)
Education (National Curriculum)(Exceptions at Key Stage 4): Draft Regulations	5	Y	Y (500 secondary schools)
Locally Agreed Syllabuses for Religious Education: Draft Order	15	Y	N
August			
The Education (School Government)(Transition to New Framework) Draft Regulations	7	Y	N
The Foundation Body Draft Regulations	9	Y	N
October			
Ingredients for Success: a Consultation Paper on Nutritional Standards for School Lunches	12	Y	Y (200 secondary schools)
The Protection of School Playing Fields and the Education (School Premises) Draft Regulations	9	Y	N
Standards for School Premises and the protection of School Playing Fields: Draft Guidance and Draft Regulations	8	Y	N
Local Schools Budget and Individual Schools Budget: Draft Regulations under Section 46 of the School Standards and Framework Act	4	Y	N
Determination of Budget Shares: Draft Regulations under Section 47 of the School Standards and Framework Act	4	Y	N
Schemes for Financing Schools: Draft Regulations and Outline Scheme under Section 48 of the School Standards and Framework Act	4	Y	N
The Education (Amount to Follow Permanently Excluded Pupil) Regulations 1999	4	Y	N
Admissions: Draft Code of Practice	6	Y	Y (VA, GM schools)

[1] The paper "Fair Funding: Improving Delegation to Schools" was circulated to schools on 15 June.

Study or Training Leave

Mr. Willis: To ask the Secretary of State for Education and Employment what is the estimated cost to his Department of granting a right to time off for study or training for 16 and 17 year olds. [57678]

Mr. Mudie: Full details of the estimated costs to the Government of introducing a right to time off for study or training for certain 16 and 17-year-old employees were included in the Regulatory Appraisal which was published alongside the Teaching and Higher Education Bill in November 1997. A copy of the Regulatory Appraisal was placed in the Library.

Student Guidance

Mr. Willis: To ask the Secretary of State for Education and Employment what plans he has to improve guidance to students for transition at 18 plus. [56208]

Mr. Mudie: Careers services are required, in partnership with schools and colleges, to provide students at 18 with access to the information, advice and guidance to enable them to make informed decisions to progress into further learning or employment. We are asking careers services to focus particular attention on those young people who are most in need of help.

School Funding

Mr. Chaytor: To ask the Secretary of State for Education and Employment what the difference is between the local authority with *(a)* the highest and *(b)* the lowest standard spending assessment for (i) primary schools and (ii) secondary schools. [57670]

Ms Estelle Morris: The table sets out the education standard spending assessment per primary pupil and per secondary pupil for all local education authorities in England for 1998–99. The difference between the local authority with the highest and the lowest standard spending assessment is £1,880 per primary pupil and £2,432 per secondary pupil.

Education SSA per pupil 1998–99

£

LEA	Primary per pupil	Secondary per pupil
Isles of Scilly	3,884	5,051
Tower Hamlets	3,377	4,434
Hackney	3,327	4,558
Lambeth	3,307	4,661
Southwark	3,197	4,191
Islington	3,168	4,218
Camden	3,131	3,947
Hammersmith and Fulham	3,128	4,081
Lewisham	3,111	4,088
City of London	3,094	9,236
Kensington and Chelsea	3,047	3,946
Westminster	2,987	3,741
Greenwich	2,967	3,854
Newham	2,917	3,809
Wandsworth	2,900	3,797
Haringey	2,892	3,849
Brent	2,804	3,710
Waltham Forest	2,703	3,530
Ealing	2,622	3,503
Slough	2,613	3,485
Hounslow	2,570	3,301
Barking and Dagenham	2,561	3,377
Enfield	2,528	3,260
Manchester	2,510	3,321
Croydon	2,496	3,288
Knowsley	2,489	3,336
Redbridge	2,456	3,181
Merton	2,451	3,186
Liverpool	2,436	3,165
Barnet	2,429	3,112
Hillingdon	2,399	3,115
Harrow	2,388	3,148
Nottingham City	2,382	3,135
Luton	2,380	3,111
Thurrock	2,373	3,096
Birmingham	2,370	3,113
Sutton	2,345	2,995
Leicester	2,332	3,035
Bexley	2,331	3,031
Middlesbrough	2,318	3,066
Southampton	2,310	3,036
Blackburn	2,304	2,995
Brighton and Hove	2,303	3,001
Bromley	2,298	2,965

Education SSA per pupil 1998–99

£

LEA	Primary per pupil	Secondary per pupil
Newcastle upon Tyne	2,296	2,998
Portsmouth	2,295	2,988
Kingston upon Thames	2,293	2,954
Havering	2,293	2,993
Isle of Wight Council	2,288	2,981
City of Kingston-upon-Hull	2,279	2,968
Reading	2,279	3,037
Bradford	2,272	2,985
Wolverhampton	2,270	2,987
Southend	2,264	2,955
Sandwell	2,261	2,954
Salford	2,259	2,970
Hertfordshire	2,257	2,927
Richmond upon Thames	2,253	2,878
Milton Keynes	2,252	2,956
Coventry	2,243	2,922
Rochdale	2,235	2,934
Halton	2,235	2,946
South Tyneside	2,232	2,900
Doncaster	2,232	2,918
Bracknell Forest	2,231	2,909
Windsor and Maidenhead	2,228	2,859
Essex	2,228	2,907
Surrey	2,228	2,897
Kent	2,227	2,902
East Sussex	2,226	2,910
Peterborough	2,222	2,886
Oldham	2,218	2,868
Wirral	2,218	2,905
Redcar and Cleveland	2,218	2,866
Hartlepool	2,208	2,875
City of Bristol	2,207	2,911
Medway Towns	2,205	2,876
Sunderland	2,203	2,871
Derby	2,197	2,865
Gateshead	2,188	2,854
North East Lincolnshire	2,187	2,849
Kirklees	2,185	2,848
Sheffield	2,184	2,854
Buckinghamshire	2,180	2,851
Bedfordshire	2,179	2,835
Oxfordshire	2,178	2,815
Walsall	2,176	2,819
Stockton-on-Tees	2,174	2,837
Blackpool	2,168	2,872
The Wrekin	2,166	2,820
Torbay	2,163	2,811
Cornwall	2,162	2,820
Calderdale	2,161	2,820
Durham	2,159	2,824
West Sussex	2,159	2,810
Bolton	2,159	2,802
St. Helens	2,158	2,824
Leeds	2,156	2,806
Stoke on Trent	2,155	2,818
North Lincolnshire	2,155	2,806
Barnsley	2,154	2,823
Norfolk	2,153	2,802
Sefton	2,153	2,789
Rotherham	2,152	2,779
Lincolnshire	2,149	2,802
Herefordshire	2,149	2,818
Plymouth	2,149	2,773
Bournemouth	2,148	2,774
Darlington	2,145	2,810
Lancashire	2,138	2,783
Devon	2,137	2,794
Tameside	2,135	2,768
Cumbria	2,133	2,774
North Tyneside	2,125	2,793

Education SSA per pupil 1998–99

£

LEA	Primary per pupil	Secondary per pupil
Hampshire	2,124	2,776
Northumberland	2,120	2,765
Newbury	2,118	2,733
North Yorkshire	2,117	2,732
Somerset	2,105	2,747
Cambridgeshire	2,104	2,734
Northamptonshire	2,104	2,739
Trafford	2,103	2,726
Suffolk	2,100	2,724
Shropshire	2,100	2,727
Wakefield	2,097	2,728
Wiltshire	2,092	2,731
Swindon	2,082	2,720
Bury	2,081	2,686
Gloucestershire	2,081	2,703
Nottinghamshire	2,077	2,709
Wigan	2,076	2,689
Dorset	2,073	2,691
East Riding of Yorkshire	2,071	2,688
Rutland	2,065	2,594
Warwickshire	2,063	2,685
Dudley	2,059	2,673
Cheshire	2,058	2,663
Derbyshire	2,057	2,682
York	2,056	2,700
North Somerset	2,054	2,681
Solihull	2,053	2,648
Worcestershire	2,051	2,664
Poole	2,044	2,655
Stockport	2,042	2,665
Bath and North East Somerset	2,041	2,606
Staffordshire	2,037	2,653
Warrington	2,036	2,659
Wokingham	2,028	2,657
Leicestershire	2,006	2,620
South Gloucestershire	2,004	2,619
England	2,248	2,918

Mr. Wigley: To ask the Secretary of State for Education and Employment what are the current levels of funding per pupil in each local education authority. [55592]

Ms Estelle Morris: The table shows the current levels of funding per primary and secondary pupil through the education standard spending assessment system for each English local education authority. The education SSAs have increased across England between 1997–98 and 1998–99 by £119 per primary pupil and by £135 per secondary pupil.

1998–99 SSA per pupil

£

LEA	Primary per pupil	Secondary per pupil	Increase 5 to 10	Increase 11 to 15
Isles of Scilly	3,884	5,051	307	349
Tower Hamlets	3,377	4,434	160	172
Hackney	3,327	4,558	148	226
Lambeth	3,307	4,661	201	257
Southwark	3,197	4,191	167	161
Islington	3,168	4,218	169	192
Camden	3,131	3,947	156	206
Hammersmith and Fulham	3,128	4,081	172	254
Lewisham	3,111	4,088	175	199
City of London	3,094	9,236	76	1,989
Kensington and Chelsea	3,047	3,946	336	315
Westminster	2,987	3,741	197	162

1998–99 SSA per pupil

£

LEA	Primary per pupil	Secondary per pupil	Increase 5 to 10	Increase 11 to 15
Greenwich	2,967	3,854	157	174
Newham	2,917	3,809	165	190
Wandsworth	2,900	3,797	121	127
Haringey	2,892	3,849	130	127
Brent	2,804	3,710	156	131
Waltham Forest	2,703	3,530	140	130
Ealing	2,622	3,503	143	172
Slough	2,613	3,485	165	207
Hounslow	2,570	3,301	130	146
Barking and Dagenham	2,561	3,377	133	162
Enfield	2,528	3,260	130	128
Manchester	2,510	3,321	150	183
Croydon	2,496	3,288	135	163
Knowsley	2,489	3,336	108	158
Redbridge	2,456	3,181	133	144
Merton	2,451	3,186	137	156
Liverpool	2,436	3,165	141	142
Barnet	2,429	3,112	128	135
Hillingdon	2,399	3,115	137	146
Harrow	2,388	3,148	121	148
Nottingham City	2,382	3,135	119	138
Luton	2,380	3,111	136	152
Thurrock	2,373	3,096	133	157
Birmingham	2,370	3,113	130	152
Sutton	2,345	2,995	126	129
Leicester	2,332	3,035	124	136
Bexley	2,331	3,031	125	143
Middlesbrough	2,318	3,066	118	130
Southampton	2,310	3,036	131	147
Blackburn	2,304	2,995	125	147
Brighton and Hove	2,303	3,001	130	154
Bromley	2,298	2,965	119	125
Newcastle upon Tyne	2,296	2,998	125	151
Portsmouth	2,295	2,988	132	156
Kingston upon Thames	2,293	2,954	125	129
Havering	2,293	2,993	117	140
Isle of Wight Council	2,288	2,981	122	140
City of Kingston-upon-Hull	2,279	2,968	120	134
Reading	2,279	3,037	126	140
Bradford	2,272	2,985	120	140
Wolverhampton	2,270	2,987	119	138
Southend	2,264	2,955	129	145
Sandwell	2,261	2,954	121	146
Salford	2,259	2,970	120	155
Hertfordshire	2,257	2,927	123	139
Richmond upon Thames	2,253	2,878	127	150
Milton Keynes	2,252	2,956	120	142
Coventry	2,243	2,922	120	136
Rochdale	2,235	2,934	121	128
Halton	2,235	2,946	107	135
South Tyneside	2,232	2,900	111	120
Doncaster	2,232	2,918	116	135
Bracknell Forest	2,231	2,909	127	157
Windsor and Maidenhead	2,228	2,859	130	154
Essex	2,228	2,907	124	145
Surrey	2,228	2,897	119	133
Kent	2,227	2,902	123	143
East Sussex	2,226	2,910	132	156
Peterborough	2,222	2,886	123	130
Oldham	2,218	2,868	117	135
Wirral	2,218	2,905	118	141
Redcar and Cleveland	2,218	2,866	112	127
Hartlepool	2,208	2,875	110	120
City of Bristol	2,207	2,911	114	127
Medway Towns	2,205	2,876	113	127
Sunderland	2,203	2,871	114	127
Derby	2,197	2,865	112	118
Gateshead	2,188	2,854	114	117
North East Lincolnshire	2,187	2,849	111	121
Kirklees	2,185	2,848	119	129
Sheffield	2,184	2,854	115	129
Buckinghamshire	2,180	2,851	116	138
Bedfordshire	2,179	2,835	124	138

1998–99 SSA per pupil

£

LEA	Primary per pupil	Secondary per pupil	Increase 5 to 10	Increase 11 to 15
Oxfordshire	2,178	2,815	131	145
Walsall	2,176	2,819	105	118
Stockton-on-Tees	2,174	2,837	108	130
Blackpool	2,168	2,872	120	133
The Wrekin	2,166	2,820	106	119
Torbay	2,163	2,811	108	123
Cornwall	2,162	2,820	105	122
Calderdale	2,161	2,820	110	130
Durham	2,159	2,824	116	138
West Sussex	2,159	2,810	117	135
Bolton	2,159	2,802	117	128
St. Helens	2,158	2,824	113	128
Leeds	2,156	2,806	115	125
Stoke on Trent	2,155	2,818	112	125
North Lincolnshire	2,155	2,806	116	133
Barnsley	2,154	2,823	116	136
Norfolk	2,153	2,802	111	127
Sefton	2,153	2,789	116	127
Rotherham	2,152	2,779	115	123
Lincolnshire	2,149	2,802	108	126
Herefordshire	2,149	2,818	102	111
Plymouth	2,149	2,773	115	128
Bournemouth	2,148	2,774	115	124
Darlington	2,145	2,810	107	127
Lancashire	2,138	2,783	112	126
Devon	2,137	2,794	112	125
Tameside	2,135	2,768	111	119
Cumbria	2,133	2,774	111	129
North Tyneside	2,125	2,793	109	128
Hampshire	2,124	2,776	117	145
Northumberland	2,120	2,765	105	126
Newbury	2,118	2,733	124	143
North Yorkshire	2,117	2,732	111	129
Somerset	2,105	2,747	110	125
Cambridgeshire	2,104	2,734	115	122
Northamptonshire	2,104	2,739	105	118
Trafford	2,103	2,726	110	123
Suffolk	2,100	2,724	118	124
Shropshire	2,100	2,727	100	115
Wakefield	2,097	2,728	109	124
Wiltshire	2,092	2,731	105	128
Swindon	2,082	2,720	103	119
Bury	2,081	2,686	109	127
Gloucestershire	2,081	2,703	104	118
Nottinghamshire	2,077	2,709	108	128
Wigan	2,076	2,689	107	116
Dorset	2,073	2,691	110	126
East Riding of Yorkshire	2,071	2,688	110	126
Rutland	2,065	2,594	123	128
Warwickshire	2,063	2,685	102	112
Dudley	2,059	2,673	105	113
Cheshire	2,058	2,663	106	121
Derbyshire	2,057	2,682	105	117
York	2,056	2,700	111	134
North Somerset	2,054	2,681	112	128
Solihull	2,053	2,648	93	108
Worcestershire	2,051	2,664	94	105
Poole	2,044	2,655	101	115
Stockport	2,042	2,665	102	117
Bath and North East Somerset	2,041	2,606	108	122
Staffordshire	2,037	2,653	102	119
Warrington	2,036	2,659	97	115
Wokingham	2,028	2,657	115	139
Leicestershire	2,006	2,620	101	116
South Gloucestershire	2,004	2,619	102	122
Total	2,248	2,918	119	135

Further Education Colleges

Mr. Chaytor: To ask the Secretary of State for Education and Employment what plans he has to encourage co-operation and joint planning between further education colleges and neighbouring schools in respect of *(a)* 14 to 16 year old students and *(b)* 16 to 19 year old students. [57667]

Mr. Mudie: We are keen to see greater collaboration between schools and colleges. For 14 to 16 year olds we are encouraging innovative arrangements for work related learning through school-college links. We have also invited Local Education Authorities to bid under the new £500 million Social Inclusion: Pupil Support Grant for projects involving colleges to tackle truancy and exclusion from school.

For 16 to 19 year olds we are working closely with the Local Government Association, the Further Education Funding Council and other partners to promote co-operation between schools and colleges with the aim of increasing participation and achievement. We hope to make a further announcement in this area shortly.

Mr. Chaytor: To ask the Secretary of State for Education and Employment what assessment he has made of the comparative costs of equivalent courses delivered by *(a)* further education colleges and *(b)* training and enterprise councils; and if he will make a statement. [57668]

Mr. Mudie: Estimates of the funding costs of achieving various qualifications in school sixth forms, FE colleges and work-based training will appear in 'The Public Funding Costs of Education and Training for 16–19 Year Olds in England 1996–97'. This report is currently being finalised in collaboration with representatives of the FE sector, training and enterprise councils and other partner organisations, and will be published shortly.

Sixth Form Numbers

Mr. Chaytor: To ask the Secretary of State for Education and Employment if he will list the *(a)* names and *(b)* classifications of 11 to 18 schools with 50 or fewer sixth form students, together with the local authorities in which they are located. [57574]

Ms Estelle Morris: The 1997 Secondary School Performance Tables contain the names and classifications together with the number of pupils aged 16 and over (which gives an indication of the size of a school's sixth form) of each 11 to 18 school in each LEA area in England. Copies of the tables are available in the Library.

Tuition Fees

Mr. Green: To ask the Secretary of State for Education and Employment how many UK students had not been assessed for liability to pay tuition fees by 21 October. [58026]

Mr. Mudie: This information is not collected centrally. However, the Department has written to all LEAs impressing on them the need to complete these assessments quickly.

Mr. Green: To ask the Secretary of State for Education and Employment how much the Government had spent on assessing the liabilities of non-UK EU university students to pay tuition fees by 21 October. [58025]

Mr. Mudie: An amount of £327,000 had been spent by 21 October.

Maintained Schools

Mr. Jenkins: To ask the Secretary of State for Education and Employment, pursuant to his answer of 19 October 1998, *Official Report*, column *1003–04*, on the performance of maintained schools, if he will rank each local education authority in order of the cost for each *(a)* A level and *(b)* GCSE obtained. [57930]

Mr. Mudie: Information on the costs of each qualification in maintained schools is not collected.

Teacher Posts

Mr. Hancock: To ask the Secretary of State for Education and Employment how many new teacher posts have been created in each of the last five years in the primary phase. [55815]

Mr. Charles Clarke: The numbers of new teacher posts are not held centrally. The total full-time equivalent number of teachers in service in the maintained nursery and primary sector in England for each of the last 5 years is given in the table.

January	*Full-time equivalent*
1994	197,600
1995	198,400
1996	199,600
1997	200,000
1998	198,400

LEAs that received grants to reduce infant classes have reported that an additional 1,500 teachers were recruited for infant classes in September 1998 to help deliver the class size pledge.

Social Affairs Council

Mr. Dismore: To ask the Secretary of State for Education and Employment if he will make a statement on the outcome of the EU Social Affairs Council meeting on 27 October. [58318]

Mr. Andrew Smith: I attended the Council of Employment and Social Affairs Ministers in Luxembourg on 27 October.

The Commission presented its draft Employment Guidelines for 1999, its draft Joint Report on member states' implementation of their National Employment Actions Plans, and the Employment Rates Report. The Council broadly welcomed the proposed Guidelines. Detailed discussion of these documents will take place at Council meetings on 20 November and 1 December. The Guidelines and Joint Report will be put to the European Council for agreement in Vienna on 11–12 December. The Council also heard a report from the Chair of the Employment and Labour Market Committee on the timetable for producing employment reports in 1999.

The Council discussed a Presidency paper setting out the remaining areas for agreement on employee involvement within the proposed European Company Statute. The Presidency hopes to secure political agreement at the meeting of the Council on 2 December.

The Council had an open debate on the Commission's Social Action Programme 1998–2000. Many delegations supported the Action Programme's emphasis on promoting employment and tackling unemployment. No conclusions were drawn.

The Council noted progress reports on the reform of the Standing Committee on Employment, the proposed Council Directive on protecting the health and safety of workers potentially at risk from explosive atmospheres, the proposed extension to students of Regulation 1408/71 (social security for migrant workers), and the negotiations for the second phase of the LEONARDO DA VINCI vocational training programme.

The Council also noted the Commission's intention to proceed with a draft Council Directive on information and consultation of workers at national level, and noted Presidency reports on the informal meeting of Women's and Social Affairs Ministers in Innsbruck in July and the recent symposium in Vienna on "A Society for All Ages".

Physical Education

Mr. Gareth R. Thomas: To ask the Secretary of State for Education and Employment how many physical education teachers were employed by local education authorities and grant-maintained schools in each year since 1979. [55783]

Mr. Charles Clarke: Full-time teachers in maintained secondary schools in England who were both teaching and had a post A-level qualification in physical education were as follows:

England

Year	*Number of teachers*
1983–84	22,000
1987–88	18,000
1991–92	17,000
1996–97	15,000

Source:
Secondary schools staffing surveys since 1979

Similar information for primary teachers is not available. However, primary teachers are trained to deliver the whole primary curriculum including physical education.

Teacher Training

Mr. Willis: To ask the Secretary of State for Education and Employment what plans he has to allow OFSTED to accredit initial teaching training courses either in whole or in part. [56213]

Mr. Charles Clarke: There are no plans to change the current statutory requirements which give the Teacher Training Agency (TTA) alone the power to accredit or de-accredit providers of initial teacher training. OFSTED will continue to be responsible for inspection of all initial training and TTA will continue to use information from inspections in making decisions about continued accreditation.

Mr. Willis: To ask the Secretary of State for Education and Employment how many post-graduate certificate in education courses in individual institutions of higher education failed to recruit sufficient numbers and therefore did not proceed in each of the last six years. [56199]

Mr. Charles Clarke: Information on individual post-graduate certificate in education courses which did not proceed because of lack of recruits is not held centrally.

Teaching Standards

Dr. Lynne Jones: To ask the Secretary of State for Education and Employment what evaluation he has made of the standards of teaching achieved by those who have completed *(a)* a three year undergraduate degree, followed by a one year PGCE course and *(b)* a four year B.Ed or BA with qualified teacher status. [56150]

Mr. Charles Clarke: To gain Qualified Teacher Status candidates on any form of initial training must achieve the same standards and have demonstrated a secure knowledge of the appropriate curricula. The Department has not undertaken any evaluation of the teaching of teachers trained through different routes. We expect the same high standard of all new teachers.

College Staff

Mr. Illsley: To ask the Secretary of State for Education and Employment if it is his policy to allow college staff to remain as clerks to governing bodies. [56700]

Mr. Mudie: We shall consider the position of clerks in the forthcoming revision of college instrument and articles of government.

Education Maintenance Allowances

Mr. Illsley: To ask the Secretary of State for Education and Employment when he expects to announce a decision on the Government's proposals for education maintenance allowances for 16 to 19-year-olds. [56699]

Mr. Mudie: As my right hon. Friend the Chancellor of the Exchequer announced in his July Public Expenditure White Paper, we will be setting up pilots to test the effect of an Education Maintenance Allowance payable to young people from low-income households. My right hon. Friend the Secretary of State intends to make further announcements on this matter before the end of the year.

Citizenship Curriculum

Dr. Cable: To ask the Secretary of State for Education and Employment if the new citizenship curriculum requirements for schools will incorporate specific reference to the United Nations. [57087]

Mr. Charles Clarke: The recommendations of the Citizenship Advisory Group include a set of learning outcomes which refer to the work of the United Nations organisations and major non-governmental bodies. These recommendations are currently being considered by the Qualifications and Curriculum Authority as part of their review of the National Curriculum. Following this review, the Qualifications and Curriculum Authority will offer advice to the Secretary of State on the place of education for citizenship in the curriculum.

National Grid for Learning

Mr. Hoyle: To ask the Secretary of State for Education and Employment if he will assess the advantages of extending the National Grid for Learning Scheme to youth and community services for use in youth clubs. [57456]

Mr. Charles Clarke: The Government's consultation paper 'Connecting the Learning Society' set out a target date of 2002 for the connection of all schools, colleges, universities and libraries and as many community centres as possible to be connected to the National Grid for Learning via the Internet.

The Government will be seeking to ensure that the National Grid for Learning, the University for Industry and other lifelong learning initiatives will be accessible via a range of technologies including the Internet, and at a range of locations which fit in with people's lifestyles. We will consider a range of ways in which to maximise access to the Grid, including community projects such as youth clubs.

Mr. Hoyle: To ask the Secretary of State for Education and Employment if he intends to extend free telephone calls to after 6 p.m. under the National Grid for Learning. [57457]

Mr. Charles Clarke: The Government intend to review current arrangements brokered by Oftel with the telecommunications industry, to build on the progress already made in making medium speed connections more affordable to schools. Further announcements will be made shortly.

Mr. Hoyle: To ask the Secretary of State for Education and Employment how many schools in the Chorley constituency have taken advantage of the National Grid for Learning to date. [57455]

Mr. Charles Clarke: 16 schools in the Chorley constituency have so far benefited under the first year of the Standards Fund National Grid for Learning Grant. These grants are intended to progressively enable all schools to secure access to high quality networked educational services on the National Grid for Learning through the replacement of obsolete equipment, the provision of suitable internal and external networking facilities, quality software and on-line services, and associated training in basic ICT use.

All schools which currently have access to the Internet will be able to take advantage of resources and services through the National Grid for Learning.

Attention Deficit Disorder

Mr. Woolas: To ask the Secretary of State for Education and Employment what plans he has to issue guidance to local education authorities on education provision for children suffering from attention deficit disorder. [57605]

Mr. Charles Clarke: The Education Act 1996 and the Department's *Code of Practice on the Identification and Assessment of Special Educational Needs* advise local education authorities and schools on how to identify and provide for all children with special education needs. We have no plans to issue further guidance specifically about children suffering from attention deficit disorder.

Special Educational Needs

Mr. Willis: To ask the Secretary of State for Education (1) and Employment if he will make a statement on his proposals for special educational needs; [57681]

(2) when his special educational needs action plan will be published; and if he will make a statement. [57682]

Mr. Charles Clarke: Consultation on the Green Paper *Excellence for all children: meeting special educational needs* generated many thoughtful ideas and comments. In the light of these, and advice from the National Advisory Group on Special Educational Needs, we will be publishing an Action Programme shortly.

Autism

Dr. Kumar: To ask the Secretary of State for Education and Employment what steps he is taking to instruct local education authorities to provide him with information on the provision made by that authority of special educational facilities for children who suffer from autism or other forms of early childhood psychosis; and if he will make a statement. [57048]

Mr. Charles Clarke: Provisions in the Education Act 1981, now consolidated into the Education Act 1996, require schools to submit information on numbers of pupils with special educational needs. In accordance with the recommendation of the Warnock Committee there is no requirement for them to record the nature of the disability or learning difficulty and we have no current intention to require them to do so.

Youth Employment

Mr. Green: To ask the Secretary of State for Education and Employment how much had been spent from public funds on the new deal for 18 to 24 year-olds by 30 September. [56045]

Mr. Andrew Smith *[holding answer 26 October 1998]:* Expenditure brought to account on the new deal programme for 18–24 year olds by 30 September was £100.9m. Of this £43.6 million has been spent on preparation, implementation and marketing, the remaining £57.3 million is operational programme costs.

Individual Learning Accounts

Mr. Willis: To ask the Secretary of State for Education and Employment what plans he has to ensure that every Careers Service contractor is required and resourced to provide guidance to all holders of individual learning accounts and to adults in every local community as part of a locally determined local learning access network to nationally defined quality standards. [56207]

Mr. Mudie: We are considering our future strategy relating to local information, advice and guidance services for adults in the light of the many helpful comments on the issue we have received in response to "The Learning Age" (Cmnd 3790).

HEALTH

Health Visitors

Mr. Clappison: To ask the Secretary of State for Health what estimate he has made of the number of health visitors in each of the next four years. [56176]

Mr. Milburn: Estimates of numbers of health visitors to be employed are not drawn up centrally. Workforce planning and the commissioning of training places for health visitors is employer led; local workforce plans are drawn up by education consortia which comprise trusts, health authorities and other healthcare providers.

Creutzfeldt-Jakob Disease

Mr. Duncan: To ask the Secretary of State for Health (1) what meetings his Department has had with *(a)* members of the Spongiform Encephalopathy Advisory Committee, *(b)* members of the Advisory Committee on Dangerous Pathogens, *(c)* the Ministry of Agriculture, Fisheries and Food, *(d)* the Environment Agency and *(e)* the Health and Safety Executive, following the finding of abnormal prion protein in the appendix of a patient in Torbay; and if he will make a statement; [57151]

(2) what recommendations have been made to his Department by *(a)* the Spongiform Encephalopathy Advisory Committee and *(b)* the Advisory Committee on Dangerous Pathogens following the finding of abnormal prion protein in the appendix of a patient in Torbay; what steps he has taken to implement the recommendations in each case; and if he will make a statement; [57152]

(3) what discussions he has had with *(a)* SEAC, *(b)* ACDP, *(c)* HSE, *(d)* MAFF and *(e)* the Environment Agency on the destruction of surgical instruments in the context of new variant Creutzfeldt-Jakob Disease in the context of any further findings over new variant CJD; [56994]

(4) what checks have been made of patients subsequently operated upon in hospitals where individuals infected with new variant Creutzfeldt-Jakob Disease have undergone operations; [56996]

(5) what research his Department has commissioned following the finding of abnormal prion protein in the appendix of a patient in Torbay; [57021]

(6) what assessment his Department has made of the risk to patients of contracting new variant Creutzfeldt-Jakob Disease from surgical instruments; and if he will make a statement; [56947]

(7) what contingency plans his Department has made should he be advised that there is a risk that patients could be infected with new variant Creutzfeldt-Jakob Disease by surgical instruments; [57005]

(8) what action has been taken following the finding of abnormal prion protein in the appendix of a patient in Torbay; what meetings it has held with other bodies on this matter; and if he will make a statement. [57004]

Ms Jowell: In early July we learnt that abnormal prion protein had been found in the appendix removed from a patient in Torbay who, although he did not show any symptoms of disease at the time, some 2½ years later died of nvCJD.

The matter was immediately referred to the joint Advisory Committee on Dangerous Pathogens/ Spongiform Encephalopathy Advisory Committee Working Group (ACDP/SEAC WG) on Transmissible Spongiform Encephalopathies which considered it at a meeting on 8 July. The advice of this group, as stated by the then Chief Medical Officer in his Press Release of 27 August 1998, is that the overall risk of transmission of nvCJD to other patients is minimal.

On 21 September SEAC considered the implications of this incident for the risks from surgical instruments and a summary of their discussion was made available to a sub-group of the ACDP/SEAC WG specially convened to look at decontamination advice on 24 September. Following the sub-group meeting on 24 September discussions are underway with the HSE, the Medical Devices Agency, and a number of independent experts about changes to instrument design and decontamination procedures aimed at reducing any remaining risk still further. Proposals for further work are also being finalised and these groups will consider their final advice once these discussions are completed.

The existing guidance from ACDP/SEAC *"Transmissible Spongiform Encephalopathy Agents: safe working and the prevention of infection"* (published in March 1998) aims to minimise the risk to patients and staff from nvCJD and already specified that all instruments used on known or suspect cases of CJD must be destroyed as must those used on procedures involving the brain, spinal cord or eyes of patients thought to be at risk of CJD, for instance recipients of human growth hormone. This guidance also specifies that disposable instruments should be used whenever reasonably practicable for other procedures on at risk patients.

We are considering with the CJD Surveillance Unit in the light of expert advice what follow up studies should be undertaken in respect of patients who had operations in hospitals where nvCJD patients had undergone surgery before they showed any sign of this disease.

The Department, MAFF, the Environment Agency and the Health and Safety Executive have jointly issued a call for further research into the inactivation of TSEs. The call closed on 23 October. The thirteen outline proposals received are now being considered and an announcement will be made as soon as possible about those that will be pursued further.

The aim of all this work is to ensure that any risk of transmission of nvCJD through surgical procedures is reduced as far as it is possible to do so. We shall review the procedures currently in force as more information becomes available about the characteristics of the disease, and about the effects of changes in decontamination procedures or in instrument design, and will take further action if that seems necessary.

As announced on 27 August by the previous Chief Medical Officer the Department, in conjunction with the Medical Research Council, was already considering anonymised pilot surveys to assess whether the abnormal prion protein associated with the disease might be in appendixes and tonsils removed during routine surgery. The proposals received are now the subject of expert scientific review and we expect to make a decision on funding shortly.

Mr. Duncan: To ask the Secretary of State for Health (1) if his Department records the *(a)* hospital admissions, *(b)* operations and *(c)* dates of any operations undergone by individuals who have been diagnosed with new variant Creutzfeldt-Jakob Disease; and if he will take steps to make public such information; [56995]

(2) if his Department records the names of those individuals who have been diagnosed with new variant Creutzfeldt-Jakob Disease. [57002]

Ms Jowell: No. The Department does not hold clinical information on individual patients with new variant Creutzfeldt-Jakob Disease (nvCJD). Personal information of this nature is confidential to the patient, their family, and the clinicians responsible for their care and is not made public. Clinical information is held by the CJD Surveillance Unit (CJDSU) which advises clinicians on the care and treatment of patients. The CJDSU is bound by the same requirements for confidentiality as other clinicians and passes information to the Department only in an anonymous and aggregated form.

Mr. Duncan: To ask the Secretary of State for Health how many cases of new variant Creutzfeldt-Jakob Disease have been recorded in the UK. [56992]

Ms Jowell: Since new variant Creutzfeldt-Jakob Disease (nvCJD) appeared in late 1995 there have been 30 definite and probable cases. All of these patients have died.

Statistical information about Creutzfeldt-Jakob disease is published by the Department on a monthly basis. The latest table was published on 2 November.

Mr. Duncan: To ask the Secretary of State for Health (1) if he will publish the evidence his Department has evaluated on the effectiveness of routine autoclave sterilisation in the destruction of prion proteins; [56993]

(2) at what temperature his Department has been advised that prion proteins are destroyed. [56946]

Ms Jowell: The unconventional agents that cause Transmissible Spongiform Encephalopathies (TSEs) are extraordinarily resistant to physical and chemical treatments that destroy even the most resistant bacteria, spores, fungi and viruses. The current advice on inactivation and decontamination is contained in the Advisory Committee on Dangerous Pathogens/ Spongiform Encephalopathy Advisory Committees' guidance on *"Transmissible Spongiform Encephalopathy Agents: Safe working and the prevention of infection"* which was published in March 1998. Copies have been placed in the Library. Additionally, since publication, the guidance has been available on the Stationery Office website (www.official-documents.co.uk/documents/doh/spongifm.contents.htm). It contains information on the effectiveness of routine autoclaving in the destruction of the agents of TSEs. The guidance is based upon the best available scientific data on inactivation. It does not itself provide evidence of the temperature required to ensure complete inactivation of prion proteins. The two Committees are keeping this subject under review as part of their continuing work in this field and on 12 September 1998 the Department, jointly with the Ministry of Agriculture, Fisheries and Food, the Environment Agency and the Health and Safety Executive, issued a call for further research into the inactivation of TSEs. The call

closed on 23 October 1998. The thirteen outline proposals that were received are now being considered and a further announcement will be made as soon as possible about those that will be pursued further.

Mr. Duncan: To ask the Secretary of State for Health if he will publish the full findings of the Spongiform Encephalopathy Advisory Committee's research. [57022]

Ms Jowell: The Spongiform Encephalopathy Advisory Committee (SEAC) does not fund or carry out research. If it considers that new or further research is needed it makes recommendations to that effect. Any recommendations on research would be included in the public summary published after each SEAC meeting.

Recommendations for research are considered by the relevant department and other funders such as the Medical Research Council (MRC) and the Biotechnology and Biological Sciences Research Council (BBSRC) and by the Transmissible Spongiform Encephalopathy (TSE) Funders Co-ordination Group and the TSE Research Advisory Group.

A "*Strategy for Research and Development Relating to the Human health Aspects of Transmissible Spongiform Encephalopathies*" was published in November 1996 and has been available in the Library since December 1996. In July 1998 a comparable "*Strategy for Research and Development Relating to the Animal Aspects of TSEs*" was published and placed in the Library.

These strategies are kept under review and calls for research proposals issued as necessary by the appropriate funding bodies. The findings of individual research projects are published in peer-review scientific journals as they become available.

Mr. Duncan: To ask the Secretary of State for Health (1) what plans his Department has to inform those patients found to be infected with new variant Creutzfeldt-Jakob Disease as a result of screening; and if he will make a statement; [56997]

(2) what plans his Department has to screen tissue specimens for signs of new variant Creutzfeldt-Jakob Disease; and if he will make a statement; [56998]

(3) what plans his Department has to screen individuals for signs of new variant Creutzfeldt-Jakob Disease; and if he will make a statement. [56999]

Ms Jowell: The report of the detection of the agent associated with new variant Creutzfeldt-Jakob Disease (nvCJD) in the appendix of a patient who was not showing any clinical symptoms of the disease when the tissue was removed but who died of nvCJD two and a half years later, was published on 27 August. On the same day the former Chief Medical Officer announced that the Department, in conjunction with the Medical Research Council, was discussing with the relevant scientists proposals for anonymised pilot surveys to assess whether the abnormal prion protein associated with the disease might be in appendices and tonsils removed during routine surgery. The proposals received following these discussions are now the subject of expert scientific peer review, and we expect to make a final decision on funding shortly.

These studies are designed to improve understanding of the epidemiology of nvCJD. It must be emphasised that they are research studies on pathological specimens and are not diagnostic screening tests. The research proposals will be governed by ethical committee approval, as is normal, to safeguard patient interests.

Mr. Duncan: To ask the Secretary of State for Health if he will publish the full findings of the Advisory Committee on Dangerous Pathogens research. [57023]

Ms Jowell: The Advisory Committee on Dangerous Pathogens is an independent committee which advises Government, but which does not undertake or commission research in its own right. However, if the Committee considers that research is needed it can make recommendations to Government to that effect. These recommendations would be considered in the context of the Department's overall research strategy.

Mr. Duncan: To ask the Secretary of State for Health what is his Department's current estimate of the number of cases of new variant Creutzfeldt-Jakob Disease likely to be diagnosed in *(a)* 1999 and *(b)* 2000. [56945]

Ms Jowell: No reliable estimates can yet be made about the future numbers of new variant Creutzfeldt-Jakob disease cases. To make reliable estimates of the future number of cases we need to have more information about the incubation period, the level of exposure to the agent that can cause the Disease, the route of infection and the role of genetic susceptibility. The Spongiform Encephalopathy Advisory Committee sub-group which advises the Chief Medical Officer on the epidemiology of the disease considers that it is likely to be at least three to four years before we are in a position to make a reliable estimate.

Social Services White Paper

Dr. Cable: To ask the Secretary of State for Health when he expects to publish the proposed White Paper for Social Services. [57395]

Mr. Hutton: The Government intend to publish their Social Services White Paper in the near future.

Ante-natal Appointments

Barbara Follett: To ask the Secretary of State for Health if he will list, for each health authority in England and Wales, the number of ante-natal appointments routinely offered to first-time mothers. [57468]

Mr. Hutton: Information is not collected in the form requested. Information about the number of antenatal outpatient attendances by trust has recently been published in "Outpatient and Ward Attenders England 1997–98", copies of which have been placed in the Library; trust figures for community contacts will be published shortly in "Community Maternity Services: Summary information for 1997–98, England".

Disabled Access

Helen Jones: To ask the Secretary of State for Health what guidance he has issued to NHS trusts on providing suitable facilities for disabled patients and visitors; and if he will make a statement. [57119]

Mr. Hutton *[holding answer 29 October 1998]:* The National Health Service Executive issued Health Service Circular (HSC1998/156) on 17 September 1998 entitled Implementing Section 21 of the Disability Discrimination Act. This circular informs the NHS about the implementation of the Act and sets out the action the NHS Executive plans to take to support implementation of Section 21 of the Act in the NHS.

Work is currently in progress to produce a good practice guide. This will cover both employment and service provision issues relating to disabled people for the whole of the NHS and will therefore cover general practitioner practices and other primary care providers.

Organisational Stress

Helen Jones: To ask the Secretary of State for Health what estimate he has made of the percentage of NHS trusts which undertake organisational stress audits; and what plans he has to issue guidance to trusts on the introduction of such audits. [57120]

Mr. Milburn *[holding answer 29 October 1998]:* Information is not collected centrally on the percentage of trusts which undertake organisational stress audits. The National Health Service Executive has issued guidance to all NHS trusts and health authorities on managing organisational stress through its health at work in the NHS project and is piloting work based on this guidance at four trusts.

Attention Deficit Disorder

Mr. Woolas: To ask the Secretary of State for Health what plans he has to encourage the establishment of a national representative group for parents of children suffering from attention deficit disorder. [57604]

Mr. Hutton: The proposal has been discussed with the Department and we are currently considering a bid for central grant aid to help develop a national alliance of local support groups in this field. We expect to announce decisions on voluntary sector grant applications for 1999–2000 under the Section 64 general scheme around mid-February 1999.

Asylum Seekers

Mr. Forth: To ask the Secretary of State for Health what plans he has to increase payments to local authorities in London which have to meet the cost of accommodating asylum seekers and their children. [57897]

Mr. Hutton: We have set out our plans to change the cumbersome immigration and asylum process we inherited from the previous Government in the White Paper "Fairer, Faster and Firmer—A Modern Approach to Immigration and Asylum". We are considering how to improve the support grants for local authorities in the transitional period, and will announce the terms of the grants later this year.

Primary Care Group

Mr. Burstow: To ask the Secretary of State for Health if he will set out the reasons for his decision not to allow local authorities to nominate an elected member to the primary care groups in their administrative area. [57780]

Mr. Milburn: Local Authority officials may serve on a Primary Care Group Board as lay representatives of that community.

Mr. Burstow: To ask the Secretary of State for Health if, when carrying out duties as a member of the primary care group, nominees of the Social Services Department will be required to act in the best interests of the PCG or their employer. [57778]

Mr. Milburn: Members of the Primary Care Group board will act in the best interest of the population they serve.

Care Services

Mr. Burstow: To ask the Secretary of State for Health what representations he has received concerning the non-back dating of local authority payments for care move placements once they have completed the assessment if the resident's assets have fallen below the capital threshold. [57784]

Mr. Hutton: There have been representations from the hon. Members for Basingstoke (Mr. Hunter) and, for Lewes (Mr. Baker) and from my hon. Friend the Member for Stafford (Mr. Kidney) and the voluntary organisation Help the Aged concerning backdating of local authority payments for home care placements once the assessment has been completed.

Mr. Burstow: To ask the Secretary of State for Health if he will list those care services and establishments that are not covered by a regulation and inspection regime *(a)* currently and *(b)* under proposals made by his Department. [57779]

Mr. Hutton: There are several gaps and anomalies in the current regulatory system for care services. In particular, residential care homes and nursing homes run by organisations established by Royal Charter or Act of Parliament, domiciliary and day care services, small children's homes, and other arrangements involving children living away from home are not covered by statutory regulation. In addition, local authority care homes, whilst required to be inspected by social services departments, are not subject to registration arrangements.

The Government are committed to reforming regulatory arrangements in this sector. Our proposals will be set out in a White Paper on Social Services which we intend to publish shortly.

Joint Procedures (NHS and Personal Social Services)

Mr. Burstow: To ask the Secretary of State for Health what flexibility he will allow to social services committees which can demonstrate that there are more appropriate targets for their locality to achieve the standards and objectives set out in Joint Guidance, Quality Projects and Social Services Inspectorate reports than the targets provided in those documents. [57786]

Mr. Hutton: The Government are committed to the reform and modernisation of the public services. We have set out new objectives for children's social services as part of the "Quality Protects" initiative. The forthcoming Social Services White Paper will set out the wider agenda for social services including new objectives for adult social services. "Modernising Health and Social Care" the

National Priorities Guidance for 1999/2000–2001/2002 sets objectives and targets in support of this new agenda. Achieving these objectives will be a first step towards the modernisation of social services and we expect all local social services authorities to play their part. Progress on the achievement of these objectives will be kept under review by the Regional Offices of the Social Services Inspectorate.

Local social services authorities will be free to develop additional targets to supplement those in the National Priorities Guidance and demonstrate their success in taking forward the new agenda.

Medical Negligence

Mr. Dalyell: To ask the Secretary of State for Health what plans he has to introduce legislation to put into effect the recommendations contained in Lord Justice Otton's report on medical negligence. [57717]

Mr. Milburn: None. Officials are still in the process of identifying ways in which suggestions received as the result of the Secretary of State's call for ideas on reducing litigation in the NHS can best be taken forward. Lord Justice Otton's proposals will be considered as part of this exercise.

Drugs Bill

Mr. Flynn: To ask the Secretary of State for Health what plans has he to reduce the NHS bill for drugs *(a)* prescribed by general practitioners and *(b)* used in hospitals. [56916]

Mr. Milburn: The Government have no plans to reduce the National Health Service bill for drugs prescribed by general practitioners or hospitals. Primary Care Groups (PCGs) and health authorities (HAs) will commission and fund local health services from their unified budget allocations in line with the agreed local Health Improvement Plan, local priorities and national guidelines. HAs and their PCGs will be expected to ensure the cost-effective and efficient use of all NHS resources, including any funding for drugs.

Correspondence

Mr. Kaufman: To ask the Secretary of State for Health when he intends to reply to the letters dated 9 July, 13 August and 25 September about the Private Finance Initiative from the right hon. Member for Manchester, Gorton. [58121]

Mr. Dobson: I replied to my right hon. Friend today.

Asthma

Mr. Letwin: To ask the Secretary of State for Health if he will assess the advantages of use in the NHS of the Buteyko breathing method for the treatment of asthma; and if he will make a statement. [58265]

Mr. Hutton: The prevention and treatment of asthma are high priority topics within the Department's research programmes. We do not currently have any plans to carry out a trial of the Buteyko method. If a research proposal on it of sufficiently high scientific quality were submitted, in response to any future open calls for research in this area from the Departmental or National Health Service research and development programmes, such a proposal would be considered alongside all other competing bids.

A key agency through which the Government support bio-medical and clinical research is the Medical Research Council, an independent body which receives its grant-in-aid from the Office of Science and Technology. The Council is not funding any research on the Buteyko method at present but it is always willing to consider for support soundly based new scientific proposals, in competition with other applications.

Waiting Lists

Miss Widdecombe: To ask the Secretary of State for Health if he will place in the Library copies of guidance on the compilation of NHS waiting lists issued by *(a)* his Department and *(b)* NHS regional executives since 1 May 1997. [58023]

Mr. Milburn: No new guidance on the compilation of National Health Service waiting lists has been issued by the Department, including the regional offices of the National Health Service Executive since 1 May 1997. Health authorities and trusts were notified of the Department's plan to collect waiting list statistics on a monthly basis through HSC1998/152, copies of which are available in the Library.

Guidance is set out in the NHS Executive's Data Manual (published in January 1997), the "National Health Service Waiting Times Good Practice Guide" and "Guidelines for Good Administrative Practice" (both published in January 1996), copies of which are available in the Library.

ATTORNEY-GENERAL

Nolle Prosequi

Mr. McNamara: To ask the Attorney-General on how many occasions he has intervened in a prosecution under the nolle prosequi rule in the last 12 months. [56340]

The Attorney-General: In the last 12 months I have acceded to requests for the entry of a *nolle prosequi* on 4 occasions.

Glidewell Report

Mr. Nigel Jones: To ask the Attorney-General what progress has been made on implementing the recommendations of the Glidewell report; and if he will make a statement. [57887]

The Attorney-General: The Glidewell Report recommended the appointment of a Chief Executive for the Crown Prosecution Service. That recommendation was accepted on publication of the Report (1 June 1998) when I announced the appointment of Mr. Mark Addison to the post. His top priority has been to take forward the work necessary to facilitate expeditious decisions on recommendations internal to the CPS. Those recommendations which also affect other criminal justice agencies are the subject of consideration within existing or specially established inter-Departmental groups as appropriate. The work is being carried forward under the auspices of the Strategic Planning Group which the Home

Secretary, I and the Lord Chancellor established earlier this year to co-ordinate planning within the criminal justice system. A very great deal of work has been undertaken since the Report was published. I anticipate making an announcement shortly detailing the progress that has been made and how the Report will be taken forward.

Former Secretary of State for Wales

Mr. Hawkins: To ask the Attorney-General if HM Treasury Solicitor acted on behalf of the former Secretary of State for Wales at any time after his resignation. [57957]

The Attorney-General: No.

FOREIGN AND COMMONWEALTH AFFAIRS

Israel

Dr. Starkey: To ask the Secretary of State for Foreign and Commonwealth Affairs what progress has been made by European Commission officials in their technical talks with Israel on the problems identified in the communication on EC/Israel trade and regional cumulation of origin whose recommendations were adopted at the General Affairs Council in Luxembourg on 29 June. [57080]

Ms Quin: Following the conclusions of the 29 June General Affairs Council, European Commission officials have been pursuing the issues identified in the Communication in technical talks with Israel. A team of Commission officials visited Israel and the Occupied Territories on 14–20 September for a fact-finding mission. The Commission and Member States are now reflecting on follow-up to this mission.

Mrs. Lozidou

Mr. Cox: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the decision made by the Court of Human Rights in Strasbourg regarding the case of Mrs. Lozidou *v.* Turkey. [57475]

Ms Quin: We are mindful of the obligation of all parties to the European Convention on Human Rights under Article 53 of the Convention to abide by European Court of Human Rights judgments. In the case of Mrs. Lozidou *v.* Turkey, and in line with Council of Europe procedure, the UK, along with other members of the Council of Europe's Committee of Ministers, has invited Turkey to inform the Committee of the measures it proposes to take in consequence of the judgment.

Cyprus

Mr. John D. Taylor: To ask the Secretary of State for Foreign and Commonwealth Affairs (1) what assessment he has made of the number of *(a)* Greek and *(b)* Turkish fighter planes based in Cyprus; [57591]

(2) what representations he has made concerning the stationing of foreign fighter planes in Cyprus; and if he will make a statement. [57593]

Ms Quin: We are not aware that any Greek or Turkish fighter planes are permanently based in Cyprus. But recent deployments of fighter planes in Cyprus by both Greece and Turkey have shown how easily tension can be raised. In line with UNSCR 1178 of 29 June we continue to urge all parties to refrain from any action which would exacerbate tensions on the island.

Mr. John D. Taylor: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the United Kingdom's role as a guarantor power for the Republic of Cyprus. [57592]

Ms Quin: The UK's role as a party to the 1960 Cyprus Treaty of Guarantee is, along with Greece and Turkey, to recognise and guarantee the independence, territorial integrity and security of the Republic of Cyprus.

We are committed to using the UK's position as a Guarantor Power to assist the people of Cyprus to achieve a political settlement in Cyprus.

Mr. Corbett: To ask the Secretary of State for Foreign and Commonwealth Affairs over what period the EU has made funds of 12 mecu available to support progress towards a political settlement in Cyprus; how many applications have been made by organisations representing both main communities and for what purposes; and how the results of such grants are monitored and assessed. [57960]

Ms Quin: The fourth Financial Protocol on financial and technical assistance between the European Community and the Republic of Cyprus originally covered the period from 1 January 1995 to 31 December 1998. This period has now been extended to 31 December 1999. Under this Protocol the EU set aside 12 mecu in grants for potential initiatives agreed jointly in Cyprus to promote a general settlement of the Cyprus question. So far 111,370 ecu has been committed to activities of the Cyprus All Island Trade Union Forum, although no money has actually been spent. Responsibility for monitoring funds spent under the fourth Financial Protocol lies with the Commission office in Nicosia. The Community and Cyprus will at least once during the period of implementation of the Protocol make an assessment of the implementation of the programme as a whole.

Mr. Corbett: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will define the projects which can apply for grants from the five mecu allocated by the EU for bi-communal projects in Cyprus; over what period such funds are available; how many applications have so far been made; and by what process aided projects are monitored and assessed. [57961]

Ms Quin: The fourth Protocol on financial and technical assistance between the European Community and the Republic of Cyprus states that 5 mecu shall be for projects to promote the development of the whole island. These funds were initially made available from 1 January 1995 to 31 December 1998. That period has now been extended for a period of one year to 31 December 1999. Three applications for funds have been approved (although to date no funds have been disbursed). These are:

0.9 mecu for cleaning a river which crosses south-north in Nicosia;

1.3 mecu to restore Hala Sultan Teke, an Islamic shrine near Larnaca;

1.5 mecu support for the Institute for Neurology and Genetics, a clinic and research centre.

Responsibility for monitoring expenditure under the Protocol lies with the Commission office in Cyprus. The Protocol specifies that the Community and Cyprus will at least once during the period make an assessment of the implementation of the programme of funding as a whole.

Gibraltar

Mr. Colvin: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the current proposals tabled by Spain for the future sovereignty of Gibraltar and his response to them. [57857]

Ms Quin: I refer the hon. Member to the replies I gave to my hon. Friend the Member for Thurrock (Mr. Mackinlay), 26 October 1998, *Official Report*, columns *85–87*.

Departmental Properties

Ms Roseanna Cunningham: To ask the Secretary of State for Foreign and Commonwealth Affairs (1) if he will list the properties *(a)* owned and *(b)* rented or leased by his Department in (i) Niger, (ii) the Independent State of Samoa, (iii) the USA, (iv) the Holy See, (v) Indonesia, (vi) Tunisia, (vii) Portugal, (viii) Egypt, (ix) Germany and (x) Honduras, indicating the purposes for which they are designated; [57654]

(2) if he will list the properties *(a)* owned and *(b)* rented or leased by his Department in (i) Fiji, (ii) Botswana, (iii) Laos, (iv) Lesotho, (v) Trinidad and Tobago, (vi) Canada, (vii) Greece, (viii) Norway, (ix) Mozambique and (x) Guatemala, indicating the purposes for which they are designated; [57657]

(3) if he will list the properties *(a)* owned and *(b)* rented or leased by his Department in (i) Croatia, (ii) Hungary, (iii) Macedonia, (iv) Russia, (v) Uzbekistan, (vi) Romania, (vii) Finland, (viii) Bangladesh and (ix) Turkmenistan, indicating the purposes for which they are designated; [57655]

(4) if he will list the properties *(a)* owned and *(b)* rented or leased by his Department in (i) Mauritania, (ii) Kazakhstan, (iii) Myanmar, (iv) Sierra Leone, (v) Estonia, (vi) Yugoslavia, (vii) the Solomon Islands, (viii) the Commonwealth of Dominica, (ix) Namibia and (x) Lithuania, indicating the purposes for which they are designated. [57656]

Mrs. Ewing: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the properties *(a)* owned and *(b)* rented or leased by his Department in (i) Somalia, (ii) Vanuatu, (iii) Paraguay and (iv) the Seychelles, indicating the purposes for which they are designated. [57642]

Mr. Salmond: To ask the Secretary of State for Foreign and Commonwealth Affairs (1) if he will list the properties *(a)* owned and *(b)* rented or leased by his Department in (i) Mexico, (ii) New Zealand, (iii) Sweden, (iv) Mongolia, (v) Cote d'Ivoire, (vi) Belgium, (vii) China, (viii) Burundi, (ix) Congo and (x) Gambia, indicating the purposes for which they are designated; [57643]

(2) if he will list the properties *(a)* owned and *(b)* rented or leased by his Department in (i) the Maldives, (ii) Armenia, (iii) Guinea, (iv) Nigeria, (v) the Democratic Republic of Congo, (vi) Bosnia and Herzegovina, (vii) Pakistan, (viii) the Dominican Republic, (ix) Slovakia and (x) Nepal, indicating the purposes for which they are designated. [57644]

Mr. Swinney: To ask the Secretary of State for Foreign and Commonwealth Affairs (1) if he will list the properties *(a)* owned and *(b)* rented or leased by his Department in (i) Malaysia, (ii) Spain, (iii) Qatar, (iv) Luxembourg, (v) Uruguay, (vi) the Philippines, (vii) Kuwait, (viii) Zimbabwe, (ix) Mali and (x) Guyana, indicating the purposes for which they are designated; [57646]

(2) if he will list the properties *(a)* owned and *(b)* rented or leased by his Department in (i) Panama and (ii) Bulgaria, indicating the purposes for which they are designated; [57653]

(3) if he will list the properties *(a)* owned and *(b)* rented or leased by his Department in (i) Jordan, (ii) the United Arab Emirates, (iii) the Lebanon, (iv) Uganda, (v) India, (vi) Morocco, (vii) Ethiopia, (viii) Saudi Arabia, (ix) Ukraine and (x) the Bahamas, indicating the purposes for which they are designated; [57645]

(4) if he will list the properties *(a)* owned and *(b)* rented or leased by his Department in (i) Belize, (ii) Israel, (iii) Senegal, (iv) Brazil, (v) Ecuador, (vi) Azerbaijan, (vii) Chad, (viii) Jamaica, (ix) the Eastern Caribbean States and (x) Swaziland, indicating the purposes for which they are designated; [57647]

(5) if he will list the properties *(a)* owned and *(b)* rented or leased by his Department in (i) Zambia, (ii) Equatorial Guinea, (iii) Albania, (iv) Kiribati, (v) Guinea-Bissau, (vi) Cape Verde, (vii) Iran, (viii) Sao Tomé and Principé, (ix) Afghanistan and (x) Liberia, indicating the purposes for which they are designated; [57652]

(6) if he will list the properties *(a)* owned and *(b)* rented or leased by his Department in (i) Singapore, (ii) Eritrea, (iii) Venezuela, (iv) Kenya, (v) Angola, (vi) France, (vii) Iraq and (viii) Tuvalu, indicating the purposes for which they are designated; [57641]

(7) if he will list the properties *(a)* owned and *(b)* rented or leased by his Department in (i) Cuba, (ii) Ireland, (iii) Cyprus, (iv) Tanzania, (v) Peru, (vi) Oman, (vii) Colombia, (viii) Antigua and Barbuda, (ix) Moldova and (x) Papua New Guinea, indicating the purposes for which they are designated; [57650]

(8) if he will list the properties *(a)* owned and *(b)* rented or leased by his Department in (i) Australia, (ii) Vietnam, (iii) Poland, (iv) Thailand, (v) Surinam, (vi) Costa Rica, (vii) Switzerland, (viii) Barbados, (ix) the Netherlands and (x) South Africa, indicating the purposes for which they are designated; [57648]

(9) if he will list the properties *(a)* owned and *(b)* rented or leased by his Department in (i) Iceland, (ii) Argentina, (iii) Italy, (iv) Sri Lanka, (v) Yemen, (vi) Bolivia, (vii) Belarus, (viii) Cameroon, (ix) Burkina and (x) Sudan, indicating the purposes for which they are designated. [57649]

Mr. Fatchett: I shall write to the hon. Members with full information as soon as possible. I shall place copies of the letters in the Library of the House.

Ngawang Choephel

Mr. Baker: To ask the Secretary of State for Foreign and Commonwealth Affairs what steps he is taking to secure the release from prison in Shigatse of Ngawang Choephel. [57709]

Mr. Fatchett: Ngawang Choephel appears on a list of individual cases of concern which my right hon. Friends the Prime Minister and Foreign Secretary have raised with Chinese leaders. Through our bilateral human rights dialogue with China we have sought information about Choephel's case and his health. We will continue to raise his case.

Abductions

Mr. Burden: To ask the Secretary of State for Foreign and Commonwealth Affairs how many cases of alleged abduction of British citizens abroad have been dealt with by the special unit at the FCO since 1996; and if he will list the cases by *(a)* country and *(b)* the gender of the British citizens involved. [57933]

Mr. Tony Lloyd: Since the beginning of 1996, the FCO-led Coordination Group has dealt with 13 kidnap cases, involving 23 British citizens.

Country	*Gender*
India (Kashmir)	2 male
Indonesia	2 male, 2 female
Cambodia	1 male
Russia (Chechnya)	1 male
Tajikistan	1 male
Peru	2 male
Tajikistan	1 female
Russia (Chechnya)	1 male, 1 female
Yemen	1 male
Yemen	2 male, 1 female
Sudan	1 male
D. R. Congo	1 male
Russia (Chechnya)	3 male

Falkland Islands

Mr. Howard: To ask the Secretary of State for Foreign and Commonwealth Affairs what assurances the Government have received from President Menem that he will if necessary use his veto in respect of fisheries legislation affecting the Falkland Islands currently before the Argentine parliament. [58249]

Mr. Tony Lloyd: Argentina has no competence to authorise fishing in Falklands waters. My right hon. Friend the Prime Minister made our position clear to President Menem during his recent visit. Separately my right hon. Friend the Foreign Secretary reinforced this message with the Argentine Foreign Minister.

Uganda

Mr. Letwin: To ask the Secretary of State for Foreign and Commonwealth Affairs what steps he is taking to halt the killing of civilians in Northern Uganda. [58257]

Mr. Tony Lloyd: We are appalled at the reports of atrocities committed by the Lords Resistance Army (LRA) in northern Uganda. With our partners at the UN we have strongly condemned LRA tactics; most recently at this year's session of the UN Commission on Human Rights in May. We believe there cannot be a purely military solution to the problems of northern Uganda. Both my right hon. Friend the Foreign Secretary and I have urged President Museveni to pursue all opportunities for dialogue as a means of resolving the conflict. We welcome recent reports for a possible Government Amnesty for rebels who give up the armed struggle as a first step towards a negotiated settlement.

Immigration Application

Mr. Malins: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list *(a)* the total receipts generated by application fees for visas, applications for permanent settlement and other immigration applications and *(b)* the total cost of entry clearance operations for each year for which the figures are known since 1993; and if he will set out the basis on which the costs are calculated identifying the individual elements. [57758]

Mr. Fatchett: The total receipts generated by application fees for visas and total cost of entry clearance operations from 1993–97 are as follows:

£ million

Year	*Visitor receipts*	*Settlement receipts*	*Total receipts*	*Total costs*
1993–94	28.0	2.5	30.5	45.0
1994–95	28.9	3.4	32.3	45.5
1995–96	37.1	5.0	42.2	46.6
1996–97	50.3	6.7	57.0	60.2
1997–98	53.8	9.7	63.5	64.5

Receipts are based on Full Cost recovery, broken down into the following categories:

a) Staffing Costs: (UK staff salaries and allowances, local staff salaries, benefits and other payments, local travel and other travel)

b) Accommodation Costs: (rents, including notional rents, furniture, maintenance, utilities and capital charges)

c) Office Expenditure: (stationery, telephones and postage, transport costs and overheads)

d) Overheads: (cots allocated from support functions at post, e.g. Management Sections and cost of MVD and support functions in London, e.g. Personnel Command and Resources Command).

Blood Products (Canadian Ban)

Mr. Duncan: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations his Department has made to the Canadian Government following the banning of British blood products; and if he will make a statement. [56991]

Ms Jowell: I have been asked to reply.

The Canadian Government have not banned British blood products.

SOCIAL SECURITY

Ministerial Travel

Mr. Maples: To ask the Secretary of State for Social Security if he will list the occasions since 1 May 1997 on which a Minister in his Department has used *(a)* an aircraft belonging to the RAF and *(b)* a privately chartered aircraft together with (i) details of the take-off and destination points, (ii) ground waiting time, (iii) dates of departure and return, (iv) purpose of the trip, (v) cost of the trip to his Department and (vi) details of people accompanying the Minister, indicating the total costs of all such travel borne by his Department (1) since 1 May 1997 and (2) between 1 May 1996 and 1 May 1997. [55558]

Mr. Timms *[holding answer 19 October 1998]:* There are no occasions on which a Minister in this Department has used an aircraft belonging to the RAF or a privately chartered aircraft.

Pensioners

Mr. Webb: To ask the Secretary of State for Social Security what estimate he has made of the effect of an age addition to the basic state pension of *(a)* £5 for those aged 80 or over, *(b)* £3 for those aged 75 to 79 years and *(c)* both of the above on (i) expenditure on non means-tested benefits, (ii) expenditure on means-tested benefits and (iii) revenues from income tax, if such measures were to be introduced once the increases in pensioner benefits planned for April 1999 have been implemented. [55641]

Mr. Denham *[holding answer 19 October 1998]:* The information requested is in the table.

Full year expenditure and revenue effects of age additions in 1999–2000

£ million

	(a) £5 age addition for over 80s	*(b) £3 age addition for 75–79s*	*(c) £5 age addition plus £3 age addition*
Expenditure on Retirement Pension	590	320	920
Means-tested benefit offsets	–220	–90	–310
Income tax offsets	–40	–20	–60

Notes:

1. Estimates for Retirement Pension have been provided by the Government Actuary's Department.
2. Estimates for income tax revenues have been provided by Inland Revenue.
3. Means-tested benefit offsets have been estimated using the 1995–96 Family Resources Survey uprated to 1999–2000 prices and benefits levels.
4. Estimates are in 1999–2000 prices and benefit rates, and are rounded to the nearest £10 million.

Mr. Webb: To ask the Secretary of State for Social Security, pursuant to his answer of 31 July 1998, *Official Report*, column *741*, if he will provide a breakdown of how many of the pensioners who are disqualified because of excess capital from receiving the proposed minimum income guarantee but who have incomes below income support levels, have weekly incomes in the bands of *(a)* up to £9.99, *(b)* £10 to £19.99, *(c)* £20 to £29.99, *(d)* £30 to £39.99, *(e)* £40 to £49.99, *(f)* £50 to £59.99, *(g)* £60 to £69.99, *(h)* £70 to 79.99 and *(i)* £80 or above. [55658]

Mr. Denham *[holding answer 19 October 1998]:* The information is not available in the format requested. Such information as is available is set out in the table.

Income	*Pensioner benefit units with income less than Income Support applicable amount*
Up to and including £69.99	130,000
£70 and over	100,000
Total	230,000

Notes:

1. Estimates are based on the 1995–96 Family Resources Survey and are almost certainly subject to a degree of error; the true figures could be higher or lower than those given. Estimates have been rounded to the nearest 10,000 cases.
2. The requested breakdown of incomes was not possible due to small sample sizes.
3. Income is defined as income assessable in an Income Support claim plus income from investments.
4. A pensioner, for income support purposes, is a single person aged 60 or over, or a couple (married or living as married) where at least one of them is aged 60 of over.

Source:

1995–96 Family Resources Survey; Benefit rates as they will be in April 1999

Mortgage Interest Rates

Mr. Steen: To ask the Secretary of State for Social Security if he will make a statement on the mechanism by which income support is increased to offset increases in mortgage interest rates. [56572]

Angela Eagle: The standard rate used to calculate payments of Income Support mortgage interest is based on the weighted average of the main Building Societies' variable rates of interest. This has been the case since its introduction by the previous administration in October 1995. The average is calculated and published monthly by the Office for National Statistics in Financial Statistics table 7.1L. Changes in the standard rate, whether up or down, are triggered by a 0.25 per cent. or more move in the published figure.

Mr. Steen: To ask the Secretary of State for Social Security if he will make a statement about mortgage interest rate capping for those receiving social security payments for interest on mortgages; and for what reasons the Government propose to pay arrears that may have arisen. [56573]

Angela Eagle: A standard rate of interest is used in the calculation of mortgage interest included in Income Support and income-based Jobseeker's Allowance. This was introduced by the previous Administration in October 1995. Help is available towards interest on loans taken out to purchase the home or for certain essential repairs and improvements to it. We have no plans to change this arrangement.

Lone Parent New Deal

Mr. Pickles: To ask the Secretary of State for Social Security what plans he has to introduce a compulsory element of attendance within the Lone Parent New Deal; what exemptions there will be; and if he will list the criteria for those exemptions. [57404]

Angela Eagle: Participation in the New Deal for Lone Parents is voluntary. There is no requirement for lone parents either to attend a New Deal for Lone Parents interview or to look for work. From 26 October 1998, the New Deal for Lone Parents has been extended to all lone parents on Income Support, including those whose claim was established before April 1998.

The Government are committed to providing viable choices for lone parents who, in the past, were written off to a life on benefit and the New Deal for Lone Parents is a major step in achieving this objective. This approach is in tune with what lone parents want: the opportunity to work, and a better quality of life for their children.

From 2000, the Government plan to implement new legislation to make it a condition of receiving benefit that, when asked to do so, people take part in an interview to talk about their prospects of finding work. This requirement will initially be implemented in 12 pilot areas and will be introduced in ways that take account of individual circumstances.

Mr. Pickles: To ask the Secretary of State for Social Security how many of those who have entered into the New Deal for lone parents are currently receiving housing benefit. [57405]

Angela Eagle: The information requested is not readily available and can be obtained only at disproportionate cost.

Mr. Pickles: To ask the Secretary of State for Social Security how many of those who have entered the New Deal for lone parents are still receiving income support. [57406]

Angela Eagle: The Government are committed to helping lone parents overcome the barriers to work through the New Deal for Lone Parents programme, which is available to all lone parents on Income Support with school age children. The programme provides a tailor-made service with support and advice on training needs, jobsearch, better-off calculations and local childcare services.

Information on the number of lone parents who have participated in the programme and moved into employment but, because of the number of hours they work, are still in receipt of Income Support is not readily available and can be obtained only at disproportionate cost.

Benefit Integrity Project

Mr. Burstow: To ask the Secretary of State for Social Security (1) what the timetable will be for replacing the Benefit Integrity Project as proposed in Cm 4103; [57934]

(2) when the Benefit Integrity Project will cease its operations under his proposals contained in Cm 4103; [57936]

(3) if he will issue instructions that all BIP interviews, scheduled but not yet undertaken, are cancelled from the date of his statement in Cm 4103. [57935]

Mr. Field: To ask the Secretary of State for Social Security (1) if he will give the date when he expects the new test to replace the Benefit Integrity Project; [58211]

(2) if he will estimate the savings which will result from the new test which will replace the Benefit Integrity Project. [58213]

Mr. Timms: In his statement of 28 October 1998, *Official Report*, columns 339–42, and the exchanges which followed discussing the next phase of the Government's plans to reform the welfare state, my right hon. Friend the Secretary of State made it clear that we will introduce a modern, active approach to Disability Living Allowance which puts greater emphasis on getting claims right first time and which allows for regular reviews of claims in payment. He also emphasised that there would be no return to the situation that existed before April 1997, when nothing was being done to check that people were getting the right benefit.

The Benefit Integrity Project will continue until it is replaced by a new system which we will ensure is fair as well as sensitive. The characteristics of the new system and when and how it will be introduced will be the subject of future discussions with the Disability Benefits Forum. Once the way forward is determined estimates will be made of the likely costs and savings that may arise from the new system. We are keen to introduce this change as soon as possible but it is most important that we get it right.

All-work Test

Mr. Field: To ask the Secretary of State for Social Security when he expects the replacement for the all-work test to come into operation. [58212]

Mr. Timms: We aim to introduce reforms to the test alongside national roll-out of the New Deal for Disabled People personal adviser service, which is being considered for April 2000. Different approaches are likely to be trailled before then as part of the development of the enhanced test.

Mr. Field: To ask the Secretary of State for Social Security what consultation documents he proposes to publish on the test he intends to use to replace the all-work test. [58129]

Mr. Timms: In our consultation document "A new contract for welfare: Support for Disabled People", we set out our plans to reform the All-Work Test so that it provides positive information about what people can do, as well as assessing what they cannot do. We have no plans to change the way in which the test determines entitlement to benefit. "Support for Disabled People" makes clear our intention to work with disability organisations and to consult them as we take forward work on the enhancements to be made to the test. We do not envisage a further formal consultation document on these changes.

Mr. Field: To ask the Secretary of State for Social Security what is his estimate of the number of people currently drawing benefit who will move into work as a result of the new test which will replace the all-work test for each of the first five years after the introduction of the new test. [58125]

Mr. Timms: The All-Work Test will continue as now to assess the level of an individual's incapacity, to determine entitlement to incapacity benefits. The intention in reforming the test is to ensure that it also produces

positive information about the person's functional capacities. This information will feed into a wider assessment of employability by a personal adviser, who will help people with long term illness and disability to plan a return to work. No assumptions have been made about the numbers who will leave incapacity benefits as a result of these initiatives.

Means-tested Benefits

Mr. Field: To ask the Secretary of State for Social Security if he will list the numbers of individuals currently living in households claiming one or more means-tested benefit and the estimated figures for *(a)* five and *(b)* 10 years hence. [58135]

Angela Eagle: The information is not available in the form requested. The number of beneficiaries of one or more means-tested benefit totalled 14,490,000, as at May 1997.

Notes:

1. Means tested benefits are Income Support, Income Based Jobseeker's Allowance, Family Credit, Disability Working Allowance, Housing Benefit and Council Tax Benefit.
2. Beneficiaries are defined as the claimant, their partner and any dependants.
3. Figures are rounded to the nearest ten thousand.
4. Overlap between benefits have been taken into account.
5. Housing Benefit and Council Tax Benefit figures exclude cases where there is no entitlement because of non-dependant deductions.
6. Council Tax Benefit cases do not include second adult rebate cases.
7. Sample sizes:

   Income Support: 5 per cent.

   Family Credit: 5 per cent.

   Disability Working Allowance: 100 per cent.

   Housing Benefit and Council Tax Benefit: 1 per cent.

Sources:

1. Income Support Statistics Quarterly Enquiry, May 1997.
2. Jobseeker's Allowance Statistics Quarterly Enquiry, May 1997.
3. Family Credit Statistics Quarterly Enquiry.
4. Disability Working Allowance 100 per cent. count of claims.
5. Housing Benefit Management Information System, annual 1 per cent. sample enquiries without Income Support taken at the end of May 1997.

"Support for Disabled People"

Mr. Field: To ask the Secretary of State for Social Security what is his estimate of the increase in the take-up of the disability working allowance as a result of the changes announced in "Support for Disabled People". [58123]

Mr. Timms: The information is not available.

Disability Working Allowance will be replaced by the Disabled Person's Tax Credit before the introduction of the changes announced in "Support for Disabled People".

Mr. Field: To ask the Secretary of State for Social Security if he will make a statement on his estimate of the increase in the numbers claiming means-tested benefits, as a result of the changes by benefit set out in "Support for Disabled People" for each of the first five years after implementation. [58127]

Mr. Timms: The information is not available in the format requested.

We do not expect any significant increase in the total numbers making a new claim for means-tested benefits as a result of the changes set out in the consultation document "Support for Disabled People".

Mr. Field: To ask the Secretary of State for Social Security what is his estimate of the cost arising from an increased take-up of those services referred to in paragraph 17 of "Support for Disabled People". [58131]

Mr. Timms: Additional resources will be made available to meet the cost of possible increased take-up of training and other services in the single gateway pilots. Detailed work on costs is still being undertaken. An important reason for piloting the single gateway is to measure any additional take-up of services and the associated costs in order to inform decisions about national implementation.

Mr. Field: To ask the Secretary of State for Social Security how many people under 20 claiming the severe disablement allowance will also be *(a)* eligible and *(b)* claiming income support after he has introduced the changes set out in Support for Disabled People. [58126]

Mr. Timms: The information is not available in the form requested.

It is estimated that, after the introduction of the proposed changes set out in the Consultation Paper "Support for Disabled People", there will be approximately 8,000 new claims for Incapacity Benefit a year from people under the age of 20 who are disabled from birth or early in life or long term sick and who cannot work. In the first year of their claim, Income Support will provide a higher rate of benefit and at any one time about 6,000 are likely to receive it. After a year, they will receive a higher rate of Incapacity Benefit of (£78.30 at April 1998 rates) which, in most cases, will remove the need for Income Support.

Those young people aged 16 to 19 who are on Severe Disablement Allowance at the point of change will also be transferred to the new higher rate of benefit after one year. It is estimated that approximately 14,000 of that group will receive Income Support prior to transfer.

Gateway to Work

Mr. Field: To ask the Secretary of State for Social Security if he will make a statement on the penalties for those who do not turn up for interviews as proposed in the Gateway to Work. [58124]

Angela Eagle: It will be a condition of benefit that individuals of working age not in full-time work attend an interview in order to discuss the help that is available to them. It is not unreasonable to expect clients who seek state support to attend an interview with a personal adviser to discuss their options, and to make it a condition of benefit that they should do so.

Mr. Field: To ask the Secretary of State for Social Security what is his estimate of the additional costs in staff time which will be required to initiate the personal adviser scheme detailed in the Gateway to Work. [58130]

Angela Eagle: Additional resources will be made available to fund the provision of personal advisers for all benefit claimants of working age in the single gateway

pilot areas. Detailed work on costs is still being undertaken. An important reason for piloting the single gateway is to measure costs in order to inform decisions about national implementation.

Disabled People (Income Support)

Mr. Field: To ask the Secretary of State for Social Security how many of the incapacity benefit recipients who will cease claiming as a result of the changes set out in support for disabled people will *(a)* begin and *(b)* continue to draw income support. [58128]

Mr. Timms: No existing recipient will cease to receive Incapacity Benefit or Incapacity Benefit paid with Income Support as a result of the changes to the contribution conditions and treatment of occupational and personal pension income proposed in our Consultation Paper "A New Contract for Welfare: Support for Disabled People".

Incapacity Benefit

Mr. Field: To ask the Secretary of State for Social Security when he expects to begin monitoring the most cost-effective ways of keeping in contact with people on incapacity benefit; and when he expects to be able to report on these experiments. [58132]

Mr. Timms: Currently, contact with people receiving Incapacity Benefit is limited to occasional checks on their level of incapacity. We believe the current system too often consigns people to a life on benefit and we want to maintain closer contact with them throughout their claim. In this way, we can ensure we are up to date about their circumstances, and provide them with advice; for example about the help available with return to work and about the benefits to which they may be entitled. We will try out different methods of contacting people and consider how best to develop the methods which seem most helpful and successful. We consider this to be no more than good practice and do not plan a formal report on it.

Mr. Field: To ask the Secretary of State for Social Security if those individuals drawing private health insurance which has been individually arranged may continue to draw incapacity benefit under the current rules. [58134]

Mr. Timms: As our Consultation Paper "A New Contract for Welfare: Support for Disabled People" made clear we propose, on future claims to Incapacity Benefit, to take some account of payments from permanent health insurance arranged by employers, as well as occupational and personal pensions. We have no plans to take account of permanent health insurance or other forms of health insurance where this is arranged by the individual.

Widows (SERPS)

Mr. Rendel: To ask the Secretary of State for Social Security what is the average amount of SERPS paid to widows at present; and what is the expected average payment to a widow whose husband dies *(a)* on 5 April 2000 and *(b)* on 6 April 2000. [58262]

Angela Eagle: The average amount of SERPS paid to widows under pension age at 31 March 1998 was £15.30.

The estimated average payment to a widow whose husband dies on 5 April 2000 is £33. For a widow whose husband dies on 6 April 2000, the average is £12. This is because of changes in the calculation of SERPS introduced by the Social Security Act 1986, including the 50 per cent. reduction in entitlement for widows.

Notes:

1. Figures for March 1998 are based on net additional pension for all widows' benefit recipients and are for Great Britain and overseas.
2. Estimates for April 2000 averages are over the total number of widows in the population and are rounded to the nearest pound.

Sources:

1. A 5 per cent. sample of the Pensions Strategy Computer System.
2. April 2000 estimates: Government Actuary's Department.

Mr. Rendel: To ask the Secretary of State for Social Security what measures have been taken to publicise the halving of SERPS for widowers and widows whose spouse dies on or after 6 April 2000; and when his Department's *(a)* leaflets and *(b)* other literature first referred to this change. [58263]

Mr. Denham: The Department arranged publicity about the Pensions Act 1995 with an advertising and direct mailing campaign in the Autumn of that year.

Information on the halving of the Additional Pension from the State Earnings-Related Pension Scheme (SERPS) featured in leaflet PEC3, "The 1995 Pensions Act", which was part of this campaign and available to the public until August 1997.

The Benefits Agency supported this campaign in Spring 1996 by issuing leaflet EQP 201, "Changes To Your Future", to answer simple inquiries about changes arising from the Pensions Act 1995. More detailed information featured in leaflets NP46, "A Guide To Retirement", and NP45, "A Guide To Widows' Benefit", from Spring 1996 and remains there to date. Where appropriate, other more general publicity and information on pensions and widows' benefit also refers customers to these more detailed leaflets.

The Benefits Agency leaflets always advise customers to check with their local Social Security office if they require more detail or up-to-date information about individual cases.

Budget Savings

Mr. Viggers: To ask the Secretary of State for Social Security if he will list the categories of current recipients from whom benefits will be withdrawn or reduced in order to make the savings in the social security budget specified in his oral statement of 28 October 1998, *Official Report*, columns 339–42, indicating the aggregate and average amounts of reduction that will apply in each category. [58024]

Mr. Timms: At the point of change, no current recipient will lose benefit as a result of changes to entitlement rules from the reforms we are making.

Child Support Agency

Mr. Webb: To ask the Secretary of State for Social Security what assessment he has made of the typical period between a person becoming a lone parent and that person first contacting the Child Support Agency. [57077]

Angela Eagle: It is difficult to make generalisations in this area. There is evidence to suggest that many lone parents who claim Income Support do so soon after separation or the birth of a child. However, applications for child maintenance are received from parents with care who may or may not be claiming benefits and who may or may not have recently become lone parents. Under arrangements introduced from April this year lone parents claiming Income Support are helped to complete a maintenance application form when visited by Benefits Agency staff at the start of the claim. Similarly awards of Family Credit or Disability Working Allowance will prompt the issue of child support forms. Lone parents not on benefit are free to contact the Child Support Agency at any time.

WALES

Council House Sales

Mr. Ruane: To ask the Secretary of State for Wales how much money will be allocated to *(a)* Wales and *(b)* Denbighshire in the Government's distribution of funds released from money raised from the sale of council houses in the last year and each of the next four years. [56408]

Mr. Jon Owen Jones: £33.38m is available to Wales under the Capital Receipts Initiative in the current financial year (including the revenue consequences of the higher borrowing). Of this £708,000 has been allocated to Denbighshire.

My right hon. Friend is currently consulting on spending plans for Welsh Office programmes for the next three financial years and on changes to the local authority housing capital distribution arrangements. He will announce his decisions later in the year.

Steel Industry

Mr. Barry Jones: To ask the Secretary of State for Wales if he will make a statement on the prospects for the steel industry in Wales, with particular reference to steel dumping into the UK from Asian producers and to energy costs. [57451]

Mr. Hain: The steel industry, like other parts of the manufacturing sector in Wales, is being affected by the international economic situation, but is continuing to take steps to reduce its cost base to ensure it remains profitable. Allegations of dumping and energy costs are a matter for my right hon. Friend the Secretary of State for Trade and Industry.

Mental Health

Mr. Barry Jones: To ask the Secretary of State for Wales what plans he has to improve mental health provision. [57442]

Mr. Jon Owen Jones: My plans will be influenced by two complementary Welsh Office projects whose findings will shortly be available to me. The first address the future direction of adult mental health services in Wales. And the second assesses the effectiveness of the present Mental Health Strategy. These reports will help inform the development of services in Wales.

Departmental officials also remain in close touch with the Department of Health on work being carried out on the National Strategic Framework on Mental Health in England.

Community Pharmacists

Mr. Barry Jones: To ask the Secretary of State for Wales if he will make a statement on his policy concerning community pharmacists in North East Wales. [57445]

Mr. Jon Owen Jones: The Government recognise the contribution made by community pharmacists to the health of the people of Wales. We will seek to maintain an appropriate level of service. The Welsh Office has funded 18 projects under "Delivering Care, Meeting Need"—6 in North Wales—for developing the range of services that can be provided by pharmacists in the community.

Mr. Barry Jones: To ask the Secretary of State for Wales what is his assessment of the impact of the opening of pharmacies in supermarkets upon community pharmacies; and if he will make a statement. [57446]

Mr. Jon Owen Jones: The number of community pharmacies in Wales rose slightly from 702 in 1989 to 712 at 31 March 1998. Although the numbers do fluctuate, changes of ownership over this period appear to have had very little effect on the overall numbers of establishments.

Aerospace and Steel Industries

Mr. Barry Jones: To ask the Secretary of State for Wales what is his assessment of the benefits of the current assisted area status for the aerospace and steel industries in Alyn and Deeside; and if he will make a statement. [57448]

Mr. Hain: Since the new Assisted Areas came into force in 1993 aerospace firms in Alyn and Deeside have accepted offers of RSA grants totalling £1,055,000 which are expected to create 122 new jobs and to safeguard 63 jobs. Steel production is subject to special state aid restrictions, and is not eligible for aid under Assisted Areas.

Mr. Barry Jones: To ask the Secretary of State for Wales what involvement he has in the restructuring of the aerospace industry; and if he will make a statement. [57449]

Mr. Hain: The restructuring of the aerospace industry is a matter for the industry itself. I take a keen interest in its future and have met a number of aerospace companies in Wales. The Department also has regular meetings with the South Wales aerospace companies to discuss issues that affect the industry.

Welsh-medium Schools

Mr. Barry Jones: To ask the Secretary of State for Wales how many (i) nursery, (ii) infant, (iii) primary and (iv) secondary Welsh-medium schools there are; and if he will make a statement. [57439]

Mr. Hain: No information is available centrally about the medium of instruction at maintained nursery schools. At January 1998, there were 445 primary schools where

most pupils were in classes where Welsh was the sole or main medium of instruction. Of these schools, 8 were infant schools and 3 juniors. 50 secondary schools were Welsh speaking schools as defined in Section 354(8) of the Education Act 1996.

Cataract Operations

Mr. Barry Jones: To ask the Secretary of State for Wales what progress he is making in tackling waiting lists for cataract operations for elderly persons in the Wrexham Maelor Hospital Trust area; and if he will make a statement. [57444]

Mr. Jon Owen Jones: The number of people waiting for ophthalmic surgery at Wrexham Maelor NHS Trust, which is largely cataract operations, has fallen from 1,496 in June 1998 to 1,307 in September 1998, a drop of 13 per cent.

North Wales Health Authority has agreed with the Trust that, by the year 2000, all patients requiring cataract surgery will be treated within 3 months.

Assisted Area Status

Mr. Barry Jones: To ask the Secretary of State for Wales what steps he is taking to ensure the retention of assisted area status for Alyn and Deeside; and if he will make a statement. [57447]

Mr. Hain: The review of the Assisted Areas will be carried out for Great Britain as a whole. All parts of Great Britain will be assessed for inclusion against common criteria.

Welsh Industry

Mr. Barry Jones: To ask the Secretary of State for Wales when he last met leaders of the (i) CBI and (ii) TUC to discuss the competitiveness of Welsh industry; and if he will make a statement. [57450]

Mr. Hain: I regularly meet representatives of the CBI to discuss all aspects of Welsh industry and I attended their recent conference in Birmingham. The last time I met the TUC was when I addressed their annual conference earlier this year.

Eco-village, Pembrokeshire National Park

Dr. Lynne Jones: To ask the Secretary of State for Wales what assessment he has made of the impact of the eco-village in the Pembrokeshire National Park on the environment; and if he will make a statement on the implications for sustainable development of this project. [57393]

Mr. Jon Owen Jones: In the first instance this is a local planning authority issue. Pembrokeshire Coast National Park Authority has resolved to take enforcement action in relation to this matter. In view of the Secretary of State's planning responsibilities I can make no further comment.

Gwent Tertiary College

Mr. Edwards: To ask the Secretary of State for Wales if he will make a statement about the current financial situation at Gwent Tertiary College; and how many members of staff are to be made compulsorily redundant. [57901]

Mr. Hain: Gwent Tertiary College's provisional financial statements for the year ended 31 July 1998 record an operating cost deficit of £946,000 and an historic cost surplus of £157,000 with a turnover of £34 million. The forecast for the current year is an operating cost deficit of £961,000 and an historic cost surplus of £243,000 with a turnover of £31.1 million. The College has no plans to make members of staff compulsorily redundant.

Mr. Edwards: To ask the Secretary of State for Wales what assessment he has made of the impact which the current situation at Gwent Tertiary College has had on the quality of education provided for full-time and part-time students. [57902]

Mr. Hain: The Further Education Funding Council for Wales is responsible for assessing the quality of education provided by Gwent Tertiary College. During the Council's first assessment cycle (1993–1997) provision in 14 programme areas was at or above the quality threshold. Areas assessed as below the quality threshold—Catering, Construction, General Education, Hairdressing and Beauty Therapy, and Independent Living Skills—are scheduled for reassessment in the current cycle. All the areas assessed in the current cycle thus far—Business and Management, Computing, Secretarial Studies and Office Technology, Art and Design, and Performing Arts—have been awarded grades at or above the quality threshold.

CABINET OFFICE

Anti-drugs Education

Mr. Flynn: To ask the Minister for the Cabinet Office what proportion of the recently announced moneys to tackle illegal drug mis-use will be used for anti-drugs education. [56856]

Dr. Jack Cunningham: I announced on 1 September a total of £217 million additional funding to tackle illegal drug misuse. Of this total, £3 million is specifically for drugs education and prevention activities. From 1999–2000, a total of £19 million per annum will support the development of effective drug education and prevention programmes across the country.

Autism

Dr. Kumar: To ask the Minister for the Cabinet Office if he will introduce a charter for persons with autism in line with the charter adopted at the fourth Autism Europe Congress in May 1992; and if he will make a statement. [57056]

Mr. Kilfoyle: We have no plans to introduce a specific charter for people with autism or any other disability. I am, however, determined that public services should be accessible to all, and that all users should be treated fairly, paying particular attention to those with special needs. That is why we have launched Service First—the new Charter programme. The new programme is underpinned

by nine guiding principles that all public services should be striving to achieve. These include principles covering the accessibility of public services and fairness.

AGRICULTURE, FISHERIES AND FOOD

Pesticides

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food when he expects to exercise his power under section 16(2)(j) of the Food and Environment Protection Act 1985 (as amended by the Pesticides Act 1998) to make regulations for the provision of information relating to pesticides to be made available to the public. [57711]

Mr. Rooker: I am anxious to ensure that the public gains the greatest possible access to information on pesticides, taking advantage of the broader powers provided by the Pesticides Act 1998. My officials have just completed a public consultation exercise to explore how this objective might best be pursued. Full details of the consultation are available in the Library of the House. Following consideration of the responses received, Regulations will be drafted and further public consultation will take place. The draft Regulations will also be notified to the EC under the Technical Standards Directive. Subject to the outcome of these consultations, the Regulations will be put in place as rapidly as possible but at this stage it is not possible to give a precise date.

Agriculture

Mr. Maclean: To ask the Minister of Agriculture, Fisheries and Food what representations he has received on the present state of British agriculture; and if he will make a statement. [57664]

Mr. Rooker *[holding answer 2 November 1998]:* We have received a large number of representations from a range of sectors currently experiencing difficulties. We are listening to the concerns made in numerous meetings and in correspondence.

Farm Borrowing

Mr. Maclean: To ask the Minister of Agriculture, Fisheries and Food what is *(a)* the total level of borrowing of British farmers and *(b)* the average level of borrowing per farm in the United Kingdom. [57504]

Mr. Rooker *[holding answer 2 November 1998]:* Information on the liabilities of UK agriculture is published in "Agriculture in the United Kingdom". The estimate of total liabilities at December 1996 was £9 billion. This represents about £69,000 per full time holding compared to average assets per holding of £570,000. Lending by banks to agriculture and fishing has, according to the Bank of England, increased by about 12 per cent. between the fourth quarter of 1996 and the second quarter of 1998.

Agricultural Land Sales

Mr. Maclean: To ask the Minister of Agriculture, Fisheries and Food what has been the acreage and value of land sold by farmers for non-agricultural purposes for each of the last 10 years expressed *(a)* in current prices and *(b)* as a percentage of total land sales by farmers. [57502]

Mr. Rooker *[holding answer 2 November 1998]:* I regret that the information requested is not available. Information on sales of agricultural land does not distinguish between land used for agriculture and for other purposes. The official statistics on agricultural land sales include an analysis by type of purchaser (e.g. to individuals or various categories of corporate purchaser) but specifically exclude sales of agricultural land for development and non-agricultural purposes. The area of agricultural land on agricultural holdings is recorded in the annual June agricultural census. This area is shown to have declined by 429 thousand hectares (2.4%) in the UK since 1988 but there is no reliable information on the new use of this land.

Farm Incomes

Mr. Maclean: To ask the Minister of Agriculture, Fisheries and Food what estimates he has made of overall farm income in 1998 and 1999. [57661]

Mr. Rooker *[holding answer 2 November 1998]:* The 1998 forecast of Total Income from Farming will be published on 1 December. I will ensure that the hon. Member receives a copy of the Statistical News Release on that day.

Forecasts for the 1999 calendar year will not be published until December 1999.

Policy Proposals (Quality of Life)

Mrs. Roe: To ask the Minister of Agriculture, Fisheries and Food what methods of measurements, and from what base lines, his Department employs in assessing the quality of life implications of policy proposals; and how these were selected. [55766]

Mr. Morley *[holding answer 2 November 1998]:* My Department uses a range of measures to assess policy proposals consistent with relevant guidance from HM Treasury and other Government departments. Assessments of risks, costs and benefits to businesses, the citizen and the environment are made, as appropriate, for each regulatory proposal. Policies such as that for the agri-environment schemes assess applications for environmental benefits. My Department is also developing a set of indicators to measure sustainable agriculture which include measuring its role in the rural economy.

Fatal Accidents (Farms)

Mr. Cox: To ask the Minister of Agriculture, Fisheries and Food how many fatal accidents there were on farms in England and Wales during 1997. [57433]

Mr. Morley: Between 1 April 1997 and 31 March 1998, the Health and Safety Executive recorded 45 fatal accidents in farming, forestry and horticulture in England and Wales.

Cattle Welfare

Mr. Levitt: To ask the Minister of Agriculture, Fisheries and Food if he will review the 1994 Welfare of

Livestock Regulations with a view to the provision of a continuous supply of fresh drinking water being made available to cattle. [57192]

Mr. Morley: Schedule 4 to the Welfare of Livestock Regulations 1994 requires livestock, including cattle, to be provided with an adequate supply of fresh drinking water each day. These Regulations will shortly be reviewed, in their entirety, as part of the process of implementing Council Directive 98/58/EC concerning the protection of animals kept for farming purposes.

Genetically Modified Crops

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food what approvals for what herbicides will be necessary for the planting of those herbicide-tolerant genetically modified seeds which will be planted, pursuant to the agreement between the Government and industry; when he expects such approvals to be in place; and what proposals for public participation in decisions relating to such approvals he intends to make. [57713]

Mr. Rooker: No herbicide may be used unless Ministers have given approval for that use. The use of a herbicide on a crop genetically engineered to be resistant to that herbicide would be considered a new use requiring a new approval.

The timing of the issue of any approval will depend upon the date of application and the complexity of the evaluation required. Evaluations are carried out by the Pesticides Safety Directorate in line with its published targets.

The results of such scientific evaluations will be considered by the independent Advisory Committee on Pesticides, which now contains two lay members, and will be passed to Ministers for decision. These decisions will be informed by a review of the environmental implications of herbicide use on genetically modified crops which I have commissioned from the Pesticides Safety Directorate. Arrangements are being made for monitoring the use of herbicides on genetically modified crops and for an ecological study of the first farm-scale plantings of such crops. All pesticide approvals will be announced publicly.

Environmentally Sensitive Area Scheme

Mr. Levitt: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the adequacy of the payments made under the Environmentally Sensitive Area scheme to farmers where the farmer is not the landowner. [57303]

Mr. Morley: The Ministry has a contractual obligation to review payments under the ESA scheme every two years. Reviews are based on an assessment of the costs incurred by agreement holders in complying with the terms of the agreements, and any necessary incentive, in accordance with relevant EU legislation.

The total costs of complying with an agreement should be independent of the tenure status of the agreement holder or holders. The Ministry considers at each review whether the payment rates are adequate to attract sufficient applicants to the scheme to meet the targets set.

New Forest

Mr. Swayne: To ask the Minister of Agriculture, Fisheries and Food (1) if he will make a statement about the number of broadleaf trees currently being felled in the New Forest; [56501]

(2) what measures he will take to restore the Iron Age village near Fritham damaged by Forestry Commission contractors; and what measures he will put in place to prevent a recurrence. [56503]

Mr. Morley: The subjects of these questions relate to matters undertaken by Forest Enterprise and I have asked the Chief Executive to reply to the hon. Member direct.

Letter from Bob McIntosh to Mr. Desmond Swayne, dated November 1998:

The Minister of Agriculture, Fisheries and Food has asked me to reply to your questions about the number of broadleaf trees being felled in the New Forest and the measures being taken to restore the Iron Age village near Fritham.

I am pleased to be able to advise you that there is no clear felling of broadleaved trees in the New Forest. The only felling which is conducted involves silvicultural thinning, and the Forestry Commission proposes to remove some 500 cubic metres of hardwood logs during the coming winter, together with 200 cubic metres of cordwood and 4,000 cubic metres of pulpwood.

With regard to the restoration of the Iron Age village, staff from the Forestry Commission met the contractor who caused the damage, together with officials from English Heritage and English Nature in August, to agree restoration measures. These measures chiefly consisted of minor levelling works, but these cannot take place until conditions on the ground are drier, as the site is currently waterlogged.

I would like to re-assure you that new procedures have been put in place to reduce the likelihood of recurrence. These include:

- revised operational planning procedures
- increased staff levels on planning
- a tightening of contract controls
- a continuing review of unscheduled sites by the Hampshire Field Club, at two yearly intervals

I hope that this is helpful.

Ponies (Transport)

Sir Richard Body: To ask the Minister of Agriculture, Fisheries and Food what steps he has taken to prevent the Minimum Values Order being circumvented by exporters transporting ponies to Scotland and then to Ireland and from there shipping them to France and Belgium. [55588]

Mr. Morley: A licence is not required to export ponies from Great Britain to Northern Ireland. However, horse and pony sales, in particular sales of native breeds, are monitored to ensure rigorous enforcement of the rules governing animal welfare in transit. Checks are also carried out at ports. This activity should act as a deterrent to the development of any trade of the kind described and is a proportionate response to the suspicions that have been voiced.

Written Answers to Questions

Wednesday 4 November 1998

CULTURE, MEDIA AND SPORT

Cinemas

Mr. MacShane: To ask the Secretary of State for Culture, Media and Sport what percentage of films made in *(a)* the United Kingdom by United Kingdom-owned and managed film production companies and *(b)* in Europe by European-owned and managed film production companies were shown in commercial cinema complexes in England other than London in 1997. [57290]

Janet Anderson: My Department does not compile information of this type. However, the Government published a review of film policy "A Bigger Picture" in March this year. The report recommended a number of measures to improve the performance of British films in all parts of the UK and is currently being implemented.

Fire Precautions

Dr. Cable: To ask the Secretary of State for Culture, Media and Sport what steps he is taking to ensure that sprinklers are fitted as a fire precaution in historic buildings of national importance. [57185]

Mr. Alan Howarth: In line with the recommendations of Sir Alan Bailey's report "Fire Protection Measures for the Royal Palaces", an Historic Buildings Fire Research Co-ordinating Committee has been established, with a membership including my Department and major owners of historic properties, in order to gather and disseminate information on the full range of fire protection measures for historic buildings, including sprinklers. Decisions on whether or not they should be installed in any specific case need to be made as a part of each building's risk assessment.

ENVIRONMENT, TRANSPORT AND THE REGIONS

West Coast Main Line

Mr. Kidney: To ask the Secretary of State for the Environment, Transport and the Regions what discussions he has had this year with *(a)* Railtrack plc, *(b)* the train operating companies and *(c)* other interested parties concerning the delays in establishing services between the West Coast Main Line Railway and mainland Europe for (i) Eurostar passengers and (ii) piggy-back freight journeys. [57287]

Ms Glenda Jackson: The Department has continuing discussions with London and Continental Railways (LCR) and the Consortium which is responsible for regional Eurostar services. The Government and LCR have also received proposals from the Virgin Group. The consortium selected to operate Eurostar have been asked to review urgently the feasibility of regional services and report by the end of this year.

Railtrack has for some time been considering an upgrade of the West Coast Main Line to accommodate "piggy-back" rail freight. Ministers meet regularly with representatives of Railtrack to discuss various issues connected with the rail network. The proposed piggy-back project would be likely to require substantial Government grant and Railtrack has had lengthy discussions with Departmental officials about the project.

Radioactive Waste

Mr. Llew Smith: To ask the Secretary of State for the Environment, Transport and the Regions which bodies in *(a)* the United Kingdom and *(b)* abroad, have been consulted as part of the departmental project on high level nuclear waste and spent fuel disposal strategy; and what is the total expected cost of the project. [57101]

Mr. Meale: The High Level Waste and Spent Fuel Disposal Research Project is due to end in Spring 1999. The aim of this two year study is to identify the research strategy that would be required in order to pursue disposal of high level waste and spent fuel. Its results will be used to inform the development of policy on radioactive waste management and will be subject to full public consultation. An interim report has been reviewed by the Radioactive Waste Management Advisory Committee.

The Department is assisted in its management of the project by a Management Board where the following bodies are represented:

The Department of the Environment, Transport and the Regions
Nuclear Electric Limited
Scottish Nuclear Limited
Magnox Electric Plc
British Electric Fuels Plc
UKAEA
Ministry of Defence
Environment Agency
Scottish Environment Protection Agency
Health and Safety Executive
Department of Trade and Industry
Scottish Office
Radioactive Waste Management Advisory Committee
The Royal Society
United Kingdom Nirex Limited (on a co-opted basis).

Relevant bodies in a number of countries with programmes on high level waste and spent fuel disposal have been contacted from time to time on particular issues.

The initial contract for the project was advertised in the Official Journal of the EC on 28 July 1995. The total maximum liability for the work is £432,731.00 (including VAT).

Mr. Llew Smith: To ask the Secretary of State for the Environment, Transport and the Regions what involvement the United Kingdom has in the EC programme on concerted action on retrievability of deposited radioactive waste. [57183]

Mr. Meale: United Kingdom Nirex Ltd. (Nirex) is participating, along with its counterparts from seven other EU countries, in the European Commission Concerted Action on the Retrievability of Long Lived Radioactive Waste Disposed in Deep Underground Repositories. Nirex is providing technical expertise to support the objective of the project

"to establish a clear interpretation and working definition of the concept of retrievability".

Stansted and Gatwick Airports

Mr. Colman: To ask the Secretary of State for the Environment, Transport and the Regions what plans exist to review the passenger capacities of Stansted and Gatwick Airports. [57421]

Ms Glenda Jackson: In the White Paper "A New Deal for Transport: Better for Everyone", the Government undertook to develop a new national airports policy. Reviewing airport capacity in the south east will be a key part of that.

An order under section 32 of the Airports Act 1986 currently limits the annual number of passenger air transport movements at Stansted to 120,000. An application was made by BAA plc to my right hon. Friend the Secretary of State on 8 October for the limit to be increased to 185,000. I understand that BAA plc has also applied to Uttlesford District Council for detailed planning permission for capacity expansion. If both applications were successful, BAA plc estimate that this would enable them to increase passenger throughput from the current 5.47 million a year to 15 million.

Passenger air transport movements are not limited by order at Gatwick, although the Government do impose restrictions on night time movements. In the short term, while the new national airports policy is developed, any expansion of capacity at Gatwick would be something for BAA plc to propose.

Mr. Colman: To ask the Secretary of State for the Environment, Transport and the Regions what was the actual level of passenger movement at *(a)* Stansted and *(b)* Gatwick Airports in 1997. [57420]

Ms Glenda Jackson: According to figures collected by the Civil Aviation Authority, Stansted handled 5,426,859 terminal and transit passengers in 1997 (being an 11.6 per cent. growth over 1996 levels), and Gatwick handled 26,959,015 (being a 10.8 per cent. growth).

Mr. Colman: To ask the Secretary of State for the Environment, Transport and the Regions what was the passenger capacity at *(a)* Stansted and *(b)* Gatwick Airports in (i) 1997 and (ii) 1998. [57419]

Ms Glenda Jackson: Passenger air transport movements at Stansted are capped by an order under section 32 of the Airports Act 1986. Since 1996, the ceiling has been 120,000 movements a year. On present assumptions about aircraft size and occupancy levels at Stansted, that equates to something in the vicinity of 8 million passengers.

No such order exists in respect of Gatwick. Gatwick Airport Ltd's Airport Development Strategy anticipates that terminal capacity limitations would, on the basis of existing infrastructure, constrain passenger throughput at around 35 million passengers per year.

Aircraft Noise (Heathrow)

Mr. Colman: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 3 July 1997, *Official Report*, column *256*, on aircraft noise, what steps have been taken to monitor aircraft noise levels on incoming flights to Heathrow Airport; and what progress has been made in reviewing noise limits on those flights. [57422]

Ms Glenda Jackson: The Aircraft Noise Monitoring Advisory Committee (ANMAC), which advises the DETR on aircraft noise and monitoring at Heathrow, Gatwick and Stansted, is investigating the feasibility of setting noise limits for arriving aircraft; and of other possible means of ameliorating arrivals noise. ANMAC has established a working group, which is presently conducting a study of the causes of variability of noise levels.

A study of the effect of changed air traffic control procedures for Heathrow arrivals from the east in the early morning is in its final stages.

Daytime noise contours for summer 1996 at Heathrow have recently been published.

Travel Concessions (Pensioners)

Mrs. Lait: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to equalise travel concessions for male and female pensioners. [57467]

Ms Glenda Jackson: The Pensions Action 1995 already provides for women's eligibility for state pensions and concessionary fares to be raised from 60 to 65 over a transitional period from 2010 to 2020, thus equalising the qualifying age for men and women. There are no plans to change these dates. The link between pensionable age and eligibility for concessionary travel will be maintained throughout.

Mrs. Lait: To ask the Secretary of State for the Environment, Transport and the Regions if an application is pending before the European Court of Justice on equalising the age at which pensioners may be entitled to travel concessions. [57693]

Ms Glenda Jackson: I know of none. The matter has already been tested in the European Court of Justice, which ruled that the present concessionary fares arrangements were outside the scope of Directive 79/7/EEC, which provides for the progressive implementation of equal treatment of men and women in matters of social security.

Housing Associations

Ms Moran: To ask the Secretary of State for the Environment, Transport and the Regions if he will list those housing associations which have exceeded the Housing Corporation's rent target in 1997–98, showing in

each case the *(a)* average rent levels, *(b)* percentage above target, *(c)* overhead costs as a percentage of total costs and *(d)* chief executive's emoluments. [57463]

Mr. Raynsford: The Housing Corporation's requirement that year-on-year rent increases by registered social landlords (RSLs) should not exceed RPI+1% only came into effect from 1 April 1998.

The Corporation has recently published an initial analysis of data on rent increases during 1997–98, before the requirement became effective. This showed that overall RSL rent increases in 1997–98 were within the new RPI+1% limit. However, data from a total of 138 RSLs showed increases above this level which are now being investigated by the Housing Corporation.

The Corporation will be publishing final results from its analysis of 1997–98 rent data by the end of December. The tables to be published will show both rent increases and rent levels in 1997–98 by named RSLs with over 250 homes. Copies will be placed in the House of Commons Library.

Modern Local Government White Paper

Mr. Ottaway: To ask the Secretary of State for the Environment, Transport and the Regions if he will publish the evidence referred to in paragraph 3.5 of the White Paper, Modern Local Government, that councillors wish to spend more time in direct contact with those they represent. [57465]

Mr. Raynsford: The study by Ken Young and Nirmala Rao—"Coming to Terms with Change?—The Local Government Councillor in 1993" (published by the Joseph Rowntree Foundation and LGC Communications in 1994), which was followed up by Audit Commission work—"Representing the People—The Role of Councillors" (Audit Commission Publications 1997)—provide the evidence referred to in paragraph 3.5.

Jubilee Line

Mr. Ottaway: To ask the Secretary of State for the Environment, Transport and the Regions when he expects the Jubilee Line extension to be operational. [57606]

Ms Glenda Jackson: London Transport, following advice from Bechtel (the international company appointed to oversee the run up to line opening) now plan to open the Jubilee Line Extension in three phases, beginning at the eastern end of the line. The first stage will be Stratford to North Greenwich, in late spring 1999. The second stage (late summer 1999) will see opening through to Waterloo. The final stage (late autumn 1999) will be total line opening, including linking with the existing Jubilee Line.

Mr. Ottaway: To ask the Secretary of State for the Environment, Transport and the Regions if he will give the current construction cost estimate for the Jubilee Line extension; and what was the estimate a year ago. [57466]

Ms Glenda Jackson: London Transport review Jubilee Line Extension cost estimates regularly. The latest estimate of final cost is £2.85 billion. At this time last year it was £2.76 billion.

Genetically Modified Organisms

Mr. Alan Simpson: To ask the Secretary of State for the Environment, Transport and the Regions what scientific evidence he took into account in agreeing with the industry to permit farm-scale planting of herbicide-tolerant genetically modified seeds. [57424]

Mr. Meacher: All the Herbicide Tolerant Genetically Modified crops to be included in the farm-scale plantings will be covered by a consent issued under Directive 90/220. Such Consents are granted only after consideration of an assessment of the risks to human health and the environment based on best current scientific evidence and the advice of ACRE and the statutory conservation agencies, including English Nature. The advice from ACRE and the evidence on which that advice is based are held on DETR's public register.

Mr. Alan Simpson: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the applications for the marketing of genetically modified oilseed rape which are currently being reviewed at the Institute of Terrestrial Ecology; what is the scope and purpose of the review; if he will publish the result of the review at the same time as it is made available to the Advisory Committee on Releases into the Environment; and what consultation will be undertaken before the Committee makes its recommendations. [57423]

Mr. Meacher: The Institute of Terrestrial Ecology (ITE) have been commissioned by the Department to review the applications by Plant Genetic Systems for consent to market their hybrid system oilseed rape in the European Community ref. C/GB/94/M1/1 and C/F/95/05–01 A and B. The scope and purpose is to review the information provided by Plant Genetic Systems when the dossiers were considered by member states in 1994–96 and any relevant new information available since then, which may affect the assessment of the risk to human health and the environment, and then present the review to ACRE. ACRE will then give further advice to the Secretary of State undertaking consultation as they think fit before making their recommendation. The review will be published as soon as possible.

Mr. Alan Simpson: To ask the Secretary of State for the Environment, Transport and the Regions what seeds will be permitted to be planted under the recent agreement between industry and the Government concerning the planting of genetically modified herbicide-tolerant seeds; what regulatory consents currently apply to such seeds; if the seeds which will be planted thereunder, or the seeds derived from such planting, will be sold or otherwise marketed; if the seeds which will be planted thereunder will be authorised for such planting under Part II or Part III of the Genetically Modified Organisms (Deliberate Release) Regulations 1992 or otherwise; what companies will be authorised to plant the seeds and over what period of time; where the seeds will be planted; if public participation will be allowed in the monitoring; and who will carry out that monitoring. [57452]

Mr. Meacher: We have reached agreement in principle with the plant breeding industry for a programme of managed development of herbicide tolerant crops whereby the first farm-scale plantings are strictly limited

and monitored for ecological effects alongside comparable plantings of conventional crops. We have yet to reach final agreement on the seeds that will be planted, but in the first instance, we expect to include Plant Genetic Systems genetically modified hybrid system oilseed rape which has approval for seed production under a consent issued by the UK in 1996, and is currently awaiting a consent to be issued by the French Government (Member States voted in favour of the product in December 1996) to extend its use to food and animal feed.

Any sowings in the programme of managed development will be carried out either (a) under Part II of the Genetically Modified Organisms (Deliberate Release) Regulations 1992 where the material has not yet been issued marketing approval by one of the EU Member States under Directive 90/220 and the purpose of the trials is to collect information in support of such an application or (b) under part III of the same regulations where the product has already been granted marketing approval.

The seeds derived from such plants in the managed development programme may be sold if they are covered by Part III approval and also satisfy all other regulatory requirements. The details of the farm-scale plantings and associated monitoring have yet to be agreed. The monitoring results will be made public.

Mr. Alan Simpson: To ask the Secretary of State for the Environment, Transport and the Regions what provisions he has sought to have included in the SCIMAC code of practice to give the public the opportunity to assess compliance with the code's provisions. [57750]

Mr. Meacher: The draft SCIMAC code of practice and guidelines for growing herbicide tolerant genetically modified crops has provisions for ensuring compliance through a formalised programme of crop inspection. This process will be subject to random independent audit and review. I shall be encouraging SCIMAC to publish the results of these audits.

Mr. Alan Simpson: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the applications for licences for genetically modified insect-resistant crops which were pending at the time of his recent announcement of a moratorium, indicating in each case the proposed terms relating to the date of marketing. [57910]

Mr. Meacher: The plant breeding industry has made a commitment that no insect resistant GM crops will be introduced into the UK for the next three years.

Applications to market crops genetically modified for insect resistance are described in the table. In all cases insect resistance has been conferred by the introduction of a Bt gene. The current position of each application in the regulatory process is given in the 'date of consent' column.

Summary of applications to market genetically modified insect-resistant crops

Date submitted	*Competent authority*	*Notifier*	*Reference*	*GM crop*	*Scope of application*	*Date of consent*
31 March 1995	France	Ciba-Geigy	C/F/4/11-3	maize	Use in agriculture in EC and importation of grain into the EC	5 February 1997
12 March 1996	France	Pioneer Hi-Bred International	C/F/95/12-01/B	maize	Growing, import, storage and processing of grain and maize products for use in food, feed and industrial products	Vote taken in Regulatory Committee. Outcome unknown
3 June 1996	UK	Northrup King Company	C/GB/96/M4/1	maize	Importation of grain only	9 June 1998
12 June 1996	France	Monsanto Europe	C/F/12/02	maize	Production of maize in the EC and import, storage and processing for use in feed, food and industrial products	Commission adopted decision 22 April 1998. Consent believed to be issued, but not confirmed
17 December 1997	Spain	Monsanto Europe	C/ES/96/02	cotton	The same purposes as non-GM commercial cotton varieties	Vote not yet taken by Commission
23 June 1998	Netherlands	Dekalb Genetics Corporation	C/NL/97/17	maize	The same purposes as non-GM maize varieties	Vote not yet taken by Commission

Mr. Alan Simpson: To ask the Secretary of State for the Environment, Transport and the Regions how the Government's decision to permit the farm-scale planting of herbicide tolerant crops will be affected by the results of the review of applications for the marketing of genetically modified oilseed rape. [57749]

Mr. Meacher: The review relates to the application by Plant Genetic Systems for consent to market their hybrid system oilseed rape which is also herbicide tolerant. We will have to await the findings of the review to determine whether it will affect the farm-scale planting programme.

Private Hire Vehicles

Dr. Whitehead: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to review the regulations requiring local authorities to ensure that vehicles licensed for private hire are distinguished in their markings from those licensed as Hackney carriages. [57603]

Ms Glenda Jackson: The Government have no plans to carry out such a review. The legislation already prohibits the use of signs on private hire vehicles which might suggest that they are hackney carriages. Otherwise,

it allows local licensing authorities discretion in deciding which marking to permit, or require, on private hire vehicles and hackney carriages.

Pilots

Mr. Chidgey: To ask the Secretary of State for the Environment, Transport and the Regions what steps he is taking to enable United Kingdom-licensed professional pilots to overfly France after the age of 60 years. [58107]

Ms Glenda Jackson: It is the responsibility of individual States to set the age limits of commercial pilots operating in their airspace, subject to relevant international standards.

The current standard set by the International Civil Aviation Organisation is that contracting States should not permit pilots aged 60 or over to act as pilots in charge of international commercial flights and recommends that they should not be permitted to act as co-pilots. However, States may vary this standard so long as they formally notify the difference to ICAO; other States may then decide whether or not to allow operators operating to the different standard to overfly their airspace.

Member States of the Joint Aviation Authorities, including France and the UK, have agreed common standards, which differ from the ICAO provisions, in a Joint Aviation Requirement on Flight Crew Licensing (JAR-FCL), which is due to be implemented on 1 July 1999. This will enable pilots to operate aircraft up to the age of 65 years either as Pilot-in-Command or Co-Pilot, provided that only one pilot in the crew is 60 or over. It will be for France to decide how to implement JAR-FCL with respect to their airspace.

Railway Services

Mr. Edwards: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to require privatised railway companies to improve their standard of punctuality. [57905]

Ms Glenda Jackson: The Franchising Director is responsible for overseeing train operators, performance levels. Operators of rural and commuter services pay financial penalties for poor performance under their franchise agreements, and a special incentive regime now applies to Great Western Trains. Following unacceptable performance level, the Franchising Director has required all train operators to produce action plans setting out how they will deliver improved performance. My right hon. Friend the Deputy Prime Minister has said that he is prepared to renegotiate franchises in order to secure more rigorous performance standards from train operators.

Local Government Finance

Dr. Gibson: To ask the Secretary of State for the Environment, Transport and the Regions what account the Government take of the level of individual local authority balances when setting (i) expenditure control totals, (ii) standard spending assessments and (iii) revenue support grants; if such balances are correlated to specific purposes; and what plans he has to change the treatment of local authority balances. [57771]

Ms Armstrong: The Government take no account of the level of reserves held by individual local authorities when deciding on overall spending plans or grant distribution. However, in assessing overall spending pressures on local government, we do make a broad assumption about the extent to which local authorities will budget to draw down from reserves. We have no plans to change this treatment. According to information received from local authorities, at 1 April 1998 they held £467.3 million in Local Management of Schools reserves, £2,705.6 million in other earmarked reserves, and £1,845.6 million in unallocated reserves.

Heavy Goods Vehicles

Mr. Levitt: To ask the Secretary of State for the Environment, Transport and the Regions what are the limits for speed limiters fitted to heavy goods vehicles in *(a)* the United Kingdom and *(b)* under EU legislation; and if he will make a statement. [58003]

Ms Glenda Jackson: Speed limiters on heavy goods vehicles first used on or after 1 August 1992 and with a maximum gross weight exceeding 7,500 kg but not exceeding 12,000 kg must be calibrated to a set speed not exceeding 60 mph. Speed limiters on heavy goods vehicles with a maximum gross weight exceeding 12,000 kg first used on or after 1 January 1988 must be set so that the stabilised speed of the vehicle does not exceed 90 km/h (55.9 mph). The former class of vehicle is the subject of national legislation but not EC legislation; the latter class is the subject of both.

Midland Main Line

Mr. Sawford: To ask the Secretary of State for the Environment, Transport and the Regions what Government funding is available for the introduction of new rail services on the Midland main line. [58081]

Ms Glenda Jackson: Midland Main Line Ltd. is already committed under its franchise agreement to introducing a significantly increased service frequency in 1999 and procuring 12 new air conditioned two-car diesel multiple units to operate additional stopping services. Promoters of new services can seek Government support for them under the Rail Passenger Partnership scheme, announced in the Transport White Paper. Over £100 million of funding over 3 years, from April 1999, will be made available under the new Rail Passenger Partnership scheme, the Infrastructure Investment Fund and an increase in funding for the Freight Grant scheme. OPRAF will publish guidance on the operation of the Rail Passenger Partnership Scheme shortly.

Speed Restrictions

Mr. Sawford: To ask the Secretary of State for the Environment, Transport and the Regions what progress has been made on the introduction of 20mph speed restrictions. [58088]

Ms Glenda Jackson: The responses to the consultation on the proposal to remove the consent requirement for making 20 mph speed limits is complete and final decisions on how to bring the new system into operation will be made shortly.

Ozone Layer

Mr. Gareth R. Thomas: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the European Commission proposal for a new regulation (EC Draft 10902/98) on ozone-depleting substances. [57956]

Mr. Meale: The European Commission adopted a proposal on 1 July 1998 for a new Regulation on ozone-depleting substances to replace the existing Council Regulation (3093/94). The new Regulation is needed to implement recent revisions to the Montreal Protocol, and is therefore broadly welcome. However, the Commission's proposal goes beyond the requirements of the Protocol in a number of respects. In particular, there are proposals for an earlier phase out of methyl bromide, to introduce controls on the production of hydrochlorofluorocarbons and to ban the sale and use of chlorofluorocarbons. My Department has consulted interested parties on these proposals, and we will take their views into account as we formulate our detailed negotiating position.

Local Agenda 21

Mr. Waterson: To ask the Secretary of State for the Environment, Transport and the Regions if he will provide further resources to local authorities seeking to implement local Agenda 21 projects; and if he will make a statement. [58198]

Mr. Meale: We do not believe that further resources are needed since 86 per cent. of local authorities are already committed to producing a Local Agenda 21 strategy by the year 2000. LA21 should not be seen as a separate project, but rather as a means of integrating sustainable development into all the policies and activities of the council. LA21 should encourage them to take a holistic approach to the identification of community priorities and the effective delivery of services through local partnerships, in line with our proposals for modernising local government.

Polegate Bypass

Mr. Waterson: To ask the Secretary of State for the Environment, Transport and the Regions when he expects to announce a likely start date for work on the Polegate Bypass. [57756]

Ms Glenda Jackson: We are currently considering the construction programme for the schemes included in our Targeted Programme of Improvements listed in *A New Deal for Trunk Roads*.

South Thames Development Route

Mr. Beard: To ask the Secretary of State for the Environment, Transport and the Regions what investment his Department has made in the South Thames Development route between the M25 and Woolwich in the last 10 years. [57239]

Ms Glenda Jackson *[holding answer 3 November 1998]:* During this period, and through the annual system of Transport Policies and Programme allocations, several road building and improvement schemes have been supported along this length of the South Thames Development Route, to the extent of some £48.7m.

London Transport Fares

Mr. Brake: To ask the Secretary of State for the Environment, Transport and the Regions if he will assess the impact of the London Transport fare increases on the number of passengers travelling by public transport. [58214]

Ms Glenda Jackson *[holding answer 3 November 1998]:* The table shows combined passenger numbers for London Underground and London Buses from the beginning of the financial year 1995–96 to the present. This indicates that, while there are some variations between comparable periods from one year to the next, there is no evidence that passenger numbers decrease after the fare increases in January of each year. Indeed, in the last three periods of each year (which show the number of passenger journeys after the relevant fares increase came into effect), the number of journeys undertaken actually increased month on month.

Figures showing passenger numbers for the rest of this financial year, including the next fares changes, will become available in due course.

London Transport periodically carries out longer term research to test and update its assumptions about the sensitivity of its customers to fares charges. This research is drawn on when fare reviews are being considered.

Number of passengers using London Transport (million)

Period[1]	*1995–96*	*1996–97*	*1997–98*	*1998–99*
1 (beginning of financial year)	146.7	146.6	152.8	146.5
2	150.1	155.5	159.4	163.8
3	148.9	154.1	157.0	160.6
4	155.3	155.7	166.1	165.9
5	148.9	144.9	156.4	160.5
6	145.1	147.4	157.3	158.3
7	158.2	161.1	169.9	—
8	161.9	167.0	171.4	—
9	160.8	164.1	171.4	—
10	139.9	135.7	142.2	—
11 New fares come into effect at the start of this period	151.9	150.8	159.0	—
12	152.8	157.4	163.0	—
13	160.9	166.2	183.2	—

[1] Each period is 4 weeks. Period 1 begins on the first week of the financial year

Connex South Central

Mr. Burstow: To ask the Secretary of State for the Environment, Transport and the Regions what powers he has to intervene to secure investment in replacement rolling stock on the services currently provided by Connex South Central. [57777]

Ms Glenda Jackson *[holding answer 3 November 1998]:* My right hon. Friend the Secretary of State has no powers to intervene directly, although the Health and Safety Executive has powers to require modifications as to or replacement of rolling stock if it considers that this is necessary for safety reasons. HSE does not consider Connex South Central's slam door stock to be unsafe; but it has proposed that Mark 1 slam door stock such as that operated by Connex South Central must be replaced or modified by 2003.

Connex South Central recently submitted a proposal to extend its franchise. The Franchising Director concluded that he could obtain increased passenger benefits at greater value for money by allowing the franchise to expire after seven years and retendering it as normal. He is exploring with the company whether there are other ways of achieving earlier replacement of rolling stock.

Planning Applications

Mr. Chaytor: To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received concerning demands for payments by freeholders for retrospective consents relating to planning applications; what plans he has to investigate such cases; and if he will make a statement. [57941]

Mr. Raynsford: We have received a number of representations from leaseholders regarding unreasonable charges being made for the granting of consent. We have also received similar representations in relation to estate rent charges. These are both issues which we will consider as part of our current review of the leasehold system. We hope to issue a consultation paper on leasehold reform shortly.

Correspondence

Mr. Steen: To ask the Secretary of State for the Environment, Transport and the Regions when he will reply to the letter of 3 March from Councillor Peter Wyatt of Fiddler's Green, St. Peter's Quay, Totnes, concerning the increase of sewage emissions into the River Dart and the deteriorating water quality. [57343]

Mr. Meale: A reply has been sent to Councillor Wyatt today and I have written to the hon. Member to explain the circumstances.

HOME DEPARTMENT

Contingency and Operational Equipment Exhibition, Wembley

Mr. Gerrard: To ask the Secretary of State for the Home Department what action he took to monitor the equipment being exhibited at the Contingency and Operational Equipment Exhibition at Wembley on 22 to 24 September. [57331]

Mr. Boateng: This was a privately organised exhibition and was not monitored by the Home Office. However, members of staff from the Public Scientific Development Branch (part of the Home Office Police Policy Directorate) attended the exhibition in their capacity as advisers to the police service on law enforcement equipment.

Mr. Gerrard: To ask the Secretary of State for the Home Department what prosecutions are pending as a result of offences committed by companies attempting to trade in torture equipment at the Contingency and Operational Equipment Exhibition at Wembley on 22 to 24 September. [57332]

Mr. Boateng: I am not aware of any prosecutions pending which arise from the Contingency and Operational Equipment Exhibition at Wembley on 22 to 24 September 1998.

Drug Treatment and Testing Orders

Mr. Nigel Jones: To ask the Secretary of State for the Home Department what start-up funding is being made available for the Gloucestershire Probation Service pilot for the new drug treatment and testing orders. [57883]

Mr. George Howarth: The Government have made available £750,000 from October 1998—March 1999 and are making available a further £1,000,000 in 1999–2000 to cover all costs in relation to the piloting of the drug treatment and testing order. The amount is proportionately larger in the current financial year in order to cover start-up costs. This money, taken as a total over the entire pilot period, is being divided equally between Gloucestershire and the other two pilot areas, Merseyside and south-east London. Gloucestershire Probation Service will therefore receive a total of £559,333 to fund the pilot.

Animal Experiments

Mr. Nigel Jones: To ask the Secretary of State for the Home Department what representations he has received on the use of beagles for tests on Viagra conducted in the United Kingdom. [57880]

Mr. George Howarth: I have received a number of letters on this subject.

I understand that the drug was originally developed and tested some years ago, as part of a research programme into treatments for cardiovascular conditions. During clinical trials on patients, the properties for which Viagra is now known were discovered.

Impotence is a serious medical condition, and one which can cause appreciable stress and other forms of suffering. Existing treatments are limited, and not without adverse effects. Further research, involving animals, has taken place to:

define the specific clinical conditions that Viagra might be used to treat; and

reduce the adverse, cardiovascular effects in clinical use.

Young People (Alcohol Consumption)

Mr. Nigel Jones: To ask the Secretary of State for the Home Department what initiatives his Department is currently supporting to reduce the level of alcohol consumption by those aged under 16 years. [57885]

Mr. George Howarth: The Ministerial Group on Alcopops, which I chair, issued a statement on 17 July 1997, setting out a programme of action to tackle alcohol misuse by those under age. The programme included a strengthened industry code of practice on packaging and promoting alcoholic drinks, an expanded industry proof of age card scheme, action by the courts and police to help prevent under-age sales and legislation to make it harder for children to obtain alcohol. We are currently considering the progress made and expect to announce our conclusions later this month.

Young Offenders Institute, Aylesbury

Mr. Lidington: To ask the Secretary of State for the Home Department if he will make a statement about the Government's response to the report by Her Majesty's Inspector of Prisons on HM Young Offenders Institute, Aylesbury. [57859]

Mr. George Howarth: The report by Her Majesty's Chief Inspector of Prisons on Aylesbury Young Offenders Institution was published on 28 October 1998.

The report contained no recommendations to the Secretary of State, but 160 to the Director General, the area manager and the governor. Under the protocol for handling reports agreed between the Director General and the Chief Inspector last year, the Prison Services gives consideration to each recommendation and draws up a response and action plan within 30 days of publication.

The action plan is kept under close review by senior managers and is available, in an updated form, to the Chief Inspector when he undertakes a follow up inspection.

Youth Justice Board

Angela Smith: To ask the Secretary of State for the Home Department if he will make a statement on the operation of the Youth Justice Board for England and Wales. [58562]

Mr. Straw: The Youth Justice Board for England and Wales, established under section 41 of the Crime and Disorder Act 1998, came into operation on 30 September 1998.

The members of the Board are:

Lord Warner of Brockley (Chair)

Mr. Rob Allen, Director of Research and Development, National Association for the Care and Resettlement of Offenders

Mr. Jonathan Black, Clerk to the Justices, North East and North West Hampshire

Mr. Cedric Fullwood, lately Chief Probation Officer, Greater Manchester

Ms Joyce Moseley, formerly a Director of Social Services

Dr. Theodore Mutale, consultant child and adolescent forensic psychiatrist

Ms Janet Paraskeva JP, Director for England National Lottery Charities Board

Mr. Charles Pollard, Chief Constable, Thames Valley Police

Mrs. Annabella Scott JP, Inner London youth panel

Mr. Martin Stephenson, Chief Executive, INCLUDE

Ms Lorna Whyte, a member of the Police Complaints Authority

Mr. Charles Wilson, lately Managing Director of the Mirror Group of newspapers.

The Board is responsible for monitoring the operation and performance of the youth justice system as a whole, and advising the Government on this and on the drawing up of standards for the local provision of youth justice services and for custodial regimes for juveniles. The Board will also identify and promote good practice in the provision of youth justice services and in work to prevent youth offending, which will help deliver the Government's programme of reform of the youth justice system.

In support of this work, the Government are providing £85 million over three years from April 1999 for a youth justice development fund, which will be used to support the development by local authorities and other bodies, including in the voluntary sector, of programmes and projects, including bail support, to prevent or tackle offending by children and young people.

Boundary Commission

Angela Smith: To ask the Secretary of State for the Home Department what action he proposes to take on the report of the interim review of the Boundary Commission for England. [58563]

Mr. Straw: I have today laid before Parliament the report of the interim review of the Boundary Commission for England, together with a draft Order in Council for giving effect, without modification, to the recommendations contained in the report.

Prevention of Terrorism Legislation

Angela Smith: To ask the Secretary of State for the Home Department what arrangements he has made for this year's review of the Prevention of Terrorism (Temporary Provisions) Act 1989. [58567]

Mr. Straw: I am pleased to announce that Mr. John Rowe QC has accepted my invitation to carry out the annual review of the Prevention of Terrorism (Temporary Provisions) Act 1989, including those provisions inserted by the Criminal Justice (Terrorism and Conspiracy) Act 1998, for 1998 and the following two years.

European Convention on Human Rights

Mr. Jim Cunningham: To ask the Secretary of State for the Home Department what plans he has to introduce Protocol Four of the European Convention on Human Rights. [57792]

Kate Hoey: Ratification of Protocol 4 will be possible only if potential conflicts with our domestic laws can be resolved. There is a particular concern in relation to Article 3(2) of the Protocol which protects the right of nationals not to be excluded from their home state. This could be taken as conferring the right of abode in the United Kingdom on various categories of British nationals who do not have it.

Security Services

Mr. Baker: To ask the Secretary of State for the Home Department what is the policy of Special Branch in respect of the retention of files on individuals where those files were created because the individuals concerned were suspected of subversion; what rights are available to the individuals concerned; and if he will make a statement. [57569]

Mr. Straw: All Special Branches in England, Wales and Scotland operate under the "Guidelines on Special Branch Work in Great Britain", published in July 1994. In addition to subversion, the Guidelines also cover terrorism, espionage, sabotage and counter-proliferation. Paragraph 20 of the Guidelines provides that:

> Each Special Branch should . . . maintain an effective system both for updating information where necessary and for the identification and destruction of information which can no longer be clearly related to the discharge of its functions.

If an individual has reason to believe that a particular Special Branch is failing to comply with the Guidelines, he may address a complaint either to the Chief Constable of the force concerned, or he can approach the Police Complaints Authority. Her Majesty's Inspectorate of Constabulary undertakes a regular programme of inspections of Special Branches.

General Pinochet

Sir Nicholas Lyell: To ask the Secretary of State for the Home Department what requests for the extradition of General Pinochet he has received from *(a)* the Spanish Government, *(b)* a competent authority in Spain specifying that authority and *(c)* any other Government or competent authority specifying the same; when each such request was received; and if he will place copies of each in the Library. [58191]

Mr. Straw: I have received no formal request for the extradition of Senator Pinochet from the Spanish Government, or any other government, or from any competent authority in Spain or any other country.

The Metropolitan Police received, on Friday 16 October, via Interpol, a request for the provisional arrest of Senator Pinochet issued by the 5th Magistrates' Court in Madrid. Disclosure of that document is a matter for the Metropolitan Police.

Sir Nicholas Lyell: To ask the Secretary of State for the Home Department what notification, pursuant to section 8 of the Extradition Act 1989, he has received from the Bow Street Magistrate of any provisional warrant issued by the Magistrate for the arrest of General Pinochet; and what consideration he has given or proposes to give to the exercise of his powers under section 8(4) of that Act to cancel any such warrant. [58192]

Mr. Straw: The Extradition Section at the Home Office received notification on 19 October of the first provisional warrant for Senator Pinochet issued on 16 October by the Bow Street Magistrate under section 8(1)(b) of the Extradition Act 1989 and received notification on 23 October of a further provisional warrant issued on 22 October by the Bow Street Magistrate.

I was invited, on 21 October, by Senator Pinochet's legal representatives to exercise my discretionary power under section 8(4) and to cancel the first provisional warrant issued on 16 October. I had taken no decision before legal proceedings were launched in the Divisional Court on 22 October. The Divisional Court, in its judgment of 28 October, dismissed application for leave to move for judicial review of my failure to exercise my discretionary powers under section 8(4) of the Act.

INTERNATIONAL DEVELOPMENT

Arms Exports

Dr. Tonge: To ask the Secretary of State for International Development what steps her Department is taking to reduce the flow of small arms to developing countries. [58185]

Clare Short: The Department for International Development (DFID), along with the FCO and MOD, is involved in providing advice to the DTI in the export licensing process. Applications are carefully considered against our national criteria and the EU Code of Conduct on Arms Exports. These codes require HMG to take into account whether the proposed export would seriously hamper the sustainable development of the recipient country; and to consider the risk that the equipment might be diverted to an undesirable end-user.

We are also tackling illicit transfers of small arms. Together with the FCO we are developing the EU Programme for Preventing and Combating Illicit Trafficking in Conventional Arms. We funded a seminar in Southern Africa that produced a regional EU/South Africa Development Committee (SADC) action plan tailored to the problems of the region. We hope that this will be endorsed by EU/SADC Ministers in Vienna this week.

We are also funding, through the UNDP, the implementation of the Economic Community of West African States (ECOWAS) moratorium on the import, export and manufacture of small arms and light weapons. We warmly welcome the declaration of this moratorium in the final communique of the ECOWAS Heads of State meeting held in Abuja on 30–31 October.

My Department is keen to support further practical initiatives which help reduce the availability of small arms and ammunition.

Security Sector Reform

Dr. Tonge: To ask the Secretary of State for International Development what is her Department's policy on support for security sector reform initiatives in post-conflict countries. [58187]

Clare Short: The Department for International Development (DFID) recognises the special need for security sector reform in post-conflict countries, especially when that sector has been responsible for creating the conflict. Complete restructuring may be needed in some cases. This may include extensive demobilisation of surplus troops which often requires external support, especially in poorer countries. Poor countries need security and stability to be restored promptly if development and progress towards the elimination of poverty are to be resumed. DFID is currently studying its approach to security sector reform in order to strengthen this work.

Congo

Dr. Tonge: To ask the Secretary of State for International Development if she will make a statement on the humanitarian situation in the Democratic Republic of Congo. [58159]

Clare Short: The UK is deeply concerned about the impact of the ongoing conflict upon the people of the Democratic Republic of Congo (DRC). We are pressing all parties to the conflict to agree to a cease-fire and to reach a negotiated settlement. The UK has urged all parties not to escalate the conflict in the east following the fall of Kindu to the rebels. It is clear that a resolution cannot be achieved militarily. A negotiated settlement must address the rights of all sections of Congolese society, as well as the legitimate security concerns of its neighbours, whilst respecting the sovereignty and territorial integrity of the DRC itself.

The situation in the west around Kinshasa, stable for several weeks, is now reported to be deteriorating and ethnic tensions, as demonstrated by attacks upon, and detention of, Congolese Tutsi, remain high.

Conditions in the east remain poor, with much of the local infrastructure damaged or destroyed. The conflict and movement of refugees are generating a significant requirement for humanitarian aid, but access is a major problem.

The UK is ready to respond to appeals from UN agencies and NGOs. We are already supporting a UNICEF project in the western Bas-Congo region to re-stock and rehabilitate health centres damaged in the conflict. Efforts to promote tolerance and respect for human rights are also being supported. Prior to the current conflict, UK humanitarian assistance to DRC during 1998 stood at almost £350,000.

Albania

Mr. Cox: To ask the Secretary of State for International Development what discussions her Department has held in the last 12 months on the issue of the welfare and protection of children with the Government of Albania. [57764]

Clare Short: My department has been working to improve children's welfare in Albania with Children's Aid Direct and the Albanian Education Authorities.

We have provided £209,000 for the integration of disabled children into mainstream primary and kindergarten education.

Aid Agencies (Fraud)

Mr. Colvin: To ask the Secretary of State for International Development if she will make a statement on the report by the European Commission on controls over the budget of the European Community Humanitarian Office and the misuse of funds by aid agencies. [57919]

Clare Short: The Government are very concerned at the recent allegations of fraud within the Commission notably in the EC Humanitarian Office (ECHO). We are strongly committed to fighting fraud inside the Community institutions by the most effective machinery that can be devised.

The Commission's anti-fraud unit takes the lead in fraud investigations. We take a close interest in the work of the unit in the fight against fraud and strongly support measures to improve its effectiveness. We will look carefully at the European Parliament's ideas for an independent fraud office and at any proposals brought forward by the Commission.

Microcredit Schemes

Dr. Tonge: To ask the Secretary of State for International Development what measures her Department has undertaken to encourage British banks' involvement in microcredit schemes. [58157]

Clare Short: We recognise the importance and potential benefits of involving British financial institutions in microfinance. In many developing countries, however, it may be more appropriate and feasible to develop the capacity of local banks.

Specific measures which DFID has taken to encourage British banks' involvement in microfinance include the following:

DIFD supported the Centre for the Study of Financial Innovation (CSFI) in the organisation of a series of meetings in the City of London on the subject of microfinance. This led to a report 'Credit where credit is due: bringing microfinance into the mainstream' which was published by CSFI. A particular target of this publication is British commercial and merchant banks, to encourage them to play a more active role in microfinance.

The Department is actively working with commercial banks overseas to induce them to lend either direct to small and microenterprises or to lend to retail microfinance institutions, usually by DFID providing some form of guarantee.

DFID is supporting research on linking self-help groups (and informal credit providers) with formal financial institutions in developing countries. Central to this research is the idea of 'linkage-banking' where banks, British or local, are linked to co-operative groups which can then provide microfinance on a wider scale.

Sudan

Dr. Tonge: To ask the Secretary of State for International Development if she will make a statement on the humanitarian situation in Sudan. [58158]

Clare Short: The humanitarian situation remains acute. In Bahr el Ghazal mortality rates have fallen but in some parts of the region they remain unacceptably high. The World Food Programme has sufficient resources to meet all food aid needs in Sudan until April 1999. We continue to press for an extension to the cease-fire beyond Bahr el Ghazal because insecurity hampers access in many areas both to assess needs and to deliver supplies.

Mr. Dalyell: To ask the Secretary of State for International Development if she will discuss with her American counterparts the provision of *(a)* anti-TB drugs and *(b)* chloroquinine and other anti-malarial drugs to the Sudan in quantities which would have been produced by the El Shifa factory, prior to its destruction. [57980]

Clare Short: I refer to the answer given to my hon. Friend the Member for Linlithgow (Mr. Dalyell) by my right hon. Friend the Prime Minister on 3 November 1998, *Official Report*, column *403*.

Debt Relief

Dr. Tonge: To ask the Secretary of State for International Development what proposals her Department has for strengthening the linkage between debt relief and poverty reduction. [58162]

Clare Short: In providing bilateral debt relief, my Department examines closely the commitment of recipient governments to the achievement of the international development targets, to transparent government, and to the rooting out of corruption and mismanagement. In this way, we can be confident that those funds that would have been spent on debt service will be redirected towards poverty reducing activities such as healthcare and primary education. We encourage other bilateral donors to apply the same criteria when providing debt relief.

We are pressing for the relationship between debt relief and poverty reduction to be examined by the IMF and World Bank as part of the forthcoming fundamental

review of the Heavily Indebted Poor Countries (HIPC) Initiative, and for any lessons learned to be applied in implementing the programme.

Dr. Tonge: To ask the Secretary of State for International Development what steps were taken at the recent IMF/World Bank annual meeting to improve the terms and conditions of debt relief initiatives for developing countries. [58184]

Clare Short: Ministers endorsed the extension of the entry deadline for the Heavily Indebted Poor Countries (HIPC) Initiative from 1998 to the end of 2000, to give more countries a chance to qualify. They also agreed to add a degree of flexibility to the process for countries receiving post-conflict assistance programmes. A decision was taken to carry out a comprehensive review of the Initiative as early as 1999. We shall be pressing for this review to consider carefully whether the current HIPC Initiative delivers adequate debt relief to those countries in need.

HIV-AIDS

Dr. Tonge: To ask the Secretary of State for International Development what money her Department has given to HIV-AIDS vaccine development initiatives since May 1997. [58188]

Clare Short: The UK is the first government to make a contribution—£200,000—to the International Aids Vaccine Initiative (IAVI), to assist in the development of a safe, effective and inexpensive vaccine to prevent HIV infection. In addition, £300,000 of the Department for International Development's overall grant to the Medical Research Council for 1997–98 went to support research into an HIV vaccine, topical virucides and microbicides. A further £300,000 is committed for 1998–99.

Global Economic Crisis

Dr. Tonge: To ask the Secretary of State for International Development what steps her Department is taking to monitor the impact of the global economic crisis on people living in poverty in developing countries. [58163]

Clare Short: My Department is extremely concerned about the impact of the global economic crisis on poverty which is already severe in many countries, notably Indonesia. Our monitoring of the impact overall relies on work being undertaken by the International Financial Institutions, especially the World Bank, supplemented by work by UK and other academic researchers. Reliable country level data on poverty impact are limited, but the latest forecasts for growth in trade and overall economic growth indicate that the crisis is already having a severe and negative impact overall on global economic performance with adverse implications for poor people in developing countries.

TRADE AND INDUSTRY

Energy Consumption

Mr. Boswell: To ask the Secretary of State for Trade and Industry what are *(a)* the crude and *(b)* the temperature-adjusted figures for UK energy consumption in each of the past three years; and if he will make a statement on progress towards compliance with emission targets. [56769]

Mr. Battle *[holding answer 27 October 1998]:* The latest available figures for unadjusted and temperature corrected energy consumption in the UK are as follows:

UK total inland primary energy consumption[1]

	Million tonnes of oil equivalent		
	1995	*1996*	*1997*
(a) Unadjusted	220.8	233.0	226.9
(b) Temperature corrected	226.1	232.1	233.5

[1] Excludes non-energy use of fuels

Source:

Digest of UK Energy Statistics, Department of Trade and Industry

A consultation document on climate change was published on 26 October. This outlines various options for meeting the UK's emission targets.

Reducing greenhouse gas emissions is a key objective of this Government's energy policy. The Government are confident that their energy policy is consistent with achieving their climate change targets. Overall, it is estimated that carbon dioxide emissions decreased by eight per cent. between 1990 and 1997, largely because of reduced emissions from electricity generation.

Marine Foresight Panel

Dr. Cable: To ask the Secretary of State for Trade and Industry for what reasons he plans to terminate the Marine Foresight Panel. [57074]

Mr. Battle: The next round of Foresight is due to start in April 1999. There has been wide consultation over the format and content during recent months. Final decisions will be taken shortly.

Export Credits

Mr. Lock: To ask the Secretary of State for Trade and Industry what has been the total sum paid out by the Export Credits Guarantee Department in respect of guarantees given to foreign companies or Governments in respect of contracts relating to defence and security equipment in each of the last three financial years. [56835]

Mr. Mandelson: ECGD issues guarantees to persons carrying on business in the United Kingdom in respect of the payment risk arising from supplies of goods and services to persons carrying on business outside the United Kingdom.

Under such guarantees the total value of claims payments made by ECGD in each of the last three years in respect of defence business was as follows:

£ million

Financial year	*Value of claims paid*
1995–96	107.3
1996–97	49.7
1997–98	38.8

Meteorites

Mr. Öpik: To ask the Secretary of State for Trade and Industry what assessment he has made of the potential threat to satellites of the leonid meteorite shower in November; and if he will make a statement. [56935]

Mr. Battle: The threat to satellites from the expected peaks in the Leonid meteor shower in November 1998 and in November 1999 has been assessed by the European Space Agency with support from the British National Space Centre. The results of the assessment have been circulated to satellite operators and the United Kingdom space industry. The assessment concludes that the meteor shower poses a particular risk around 17–18 November this year and the next few years and that it could damage satellites through physical impact or by electrostatic interference. A number of measures are recommended to spacecraft operators to minimise the risk. These include minimising the cross sectional area of the spacecraft facing the meteor shower, turning off sensitive equipment and reinforcing the operating team in order to cope with potential anomalies.

I will send a copy of the report to the hon. Member and place copies in the Libraries of the House.

Policy Proposals (Quality of Life)

Mrs. Roe: To ask the Secretary of State for Trade and Industry what methods of measurements and from what base lines his Department employs in assessing the quality of life implications of policy proposals; and how these were selected. [55768]

Mr. Mandelson *[holding answer 2 November 1998]:* My Department uses a range of measures to assess policy proposals and departmental programmes consistent with relevant guidance from HM Treasury and other government departments. Risks, costs and benefits to business, the citizen and, where relevant, the environment are assessed for each regulatory proposal.

EU Structural Funds (Staffordshire)

Mr. Jenkins: To ask the Secretary of State for Trade and Industry if he will make a statement on the future European Structural Funds regime for Staffordshire. [57943]

Mrs. Roche: The negotiations with the Commission and other Member States on the reform of the Structural and Cohesion Funds for 2000–06 are continuing. It is too early to predict the outcome for individual regions. Only when negotiations are complete will the future Structural and Cohesion Funds regime be known. In June 1998 the European Council set a deadline for agreement of the end of March 1999.

The Government will continue to negotiate vigorously for a fair and affordable deal for the UK and its regions.

Ministerial Visit (Cuba)

Mr. Wilkinson: To ask the Secretary of State for Trade and Industry what was the total cost to his Department of his recent visit to Cuba; how many DTI officials accompanied him; and with which members of the Cuban Government and with which senior Cuban civil servants he held discussions. [57025]

Mr. Mandelson: I have not visited Cuba.

Electromagnetic Fields

Ms Walley: To ask the Secretary of State for Trade and Industry if he will make a statement in respect of the ICNIRP international guidelines and their relevance in determining safe exposure to the non-thermal effects of electromagnetic fields. [57339]

Ms Jowell: I have been asked to reply.

I am advised that the guidelines for limiting exposure to electromagnetic fields recently produced by the International Commission on Non-Ionising Radiation Protection (ICNIRP) were developed after a comprehensive review of published scientific papers. The proposed exposure restrictions are based solely on established effects. ICNIRP concluded that the available data on the non-thermal and potential long term effects of exposure, such as an increase risk of cancer, are insufficient to provide a basis for exposure restrictions.

DEFENCE

RAF Pilots

Mr. Hancock: To ask the Secretary of State for Defence how many fully trained pilots have requested to leave the RAF in each of the last five years. [55818]

Mr. Doug Henderson: The number of trained RAF pilots who applied for premature voluntary release in each of the last five years was as follows:

Year ending 31 March	*Applications*
1994	16
1995	38
1996	45
1997	60
1998	76

Aero Engines

Mr. Collins: To ask the Secretary of State for Defence if his Department *(a)* has counted, *(b)* currently counts and *(c)* plans to count Rolls-Royce sales of aero-engines to Boeing as a legitimate offset purchase for the purposes of offset agreements between his Department and US weapons manufacturers; and if he will make a statement. [56475]

Mr. Spellar *[holding answer 26 October 1998]:* Before adopting a policy of Industrial Participation, IP, for defence procurement in 1990, the MOD counted the sale of aero engines from Rolls-Royce to Boeing as part of our offset agreement with the company. We are currently considering a claim from Boeing for IP credits for aero engine components supplied by Rolls-Royce. This, and any future Rolls-Royce sales of aero engines and components, must conform with the IP agreement existing between the MOD and the offshore company.

Army Personnel Centre

Mr. Hancock: To ask the Secretary of State for Defence what assessment he has made of the decision of

the Army Personnel Centre to benchmark performance against only the Royal Navy and Royal Air Force Manning Agencies. [57166]

Mr. Doug Henderson: Benchmarking can take many forms and is one of various management tools available to promote efficiency. The obvious place for the Army Personnel Centre to start is with the Manning Agencies for the Navy and Air Force. It has separately undertaken a self-assessment against the European Business Excellence Model, as noted in the Army Personnel Agency's Annual Report, within the Public Sector Benchmarking Project. The scope for benchmarking with other organisations will be kept under regular review.

Territorial Army Budget

Mr. Blunt: To ask the Secretary of State for Defence if receipts from the sale of TA drill halls *(a)* will contribute towards his Department's target of £700 million from sale of property and *(b)* be required to make up an element of the TA budget for the next financial year. [57586]

Mr. Doug Henderson: Receipts from the sale of any Territorial Army centres will form part of my Department's overall future financial provision. Funding for the TA in the next financial year is not dependent on monies generated as a result of such sales.

EDUCATION AND EMPLOYMENT

New Deal (Interviews)

Mr. Green: To ask the Secretary of State for Education and Employment how many unemployed 18 to 24 year olds invited to an initial New Deal interview had failed to respond by 30 September; and what percentage this constitutes of those 18 to 24 year olds invited to an initial interview. [57868]

Mr. Andrew Smith *[holding answer 2 November 1998]*: The latest Government Statistical figures (to the end of August 1998) show that almost 6,600 18–24 year olds have left the New Deal and Jobseekers Allowance before attending their initial New Deal interview. This constitutes 4 per cent. of all those who have started on the New Deal.

Where a young person fails to attend an interview following 3 invitations, and continues to try and claim JSA, they will be referred to adjudication. Figures to the end of September show that over 600 young people have already had sanctions imposed for failing to attend a New Deal interview.

New Deal (Benefit Cuts)

Mr. Green: To ask the Secretary of State for Education and Employment how many 18 to 24 year olds had their benefits cut for refusing to take up a New Deal option by 30 September. [57870]

Mr. Andrew Smith *[holding answer 2 November 1998]*: The latest available analysis shows that there were 1,352 New Deal participants aged between 18 and 24 to whom Jobseekers Allowance sanctions were applied during the period 1 January to 30 September 1998, of which 112 were for failing to take up a New Deal Option. A further 210 people have been referred to adjudication during that period for neglecting to avail themselves of an Option, failing or refusing to attend an Option.

Alcohol Consumption

Mr. Nigel Jones: To ask the Secretary of State for Education and Employment what initiatives his Department is currently supporting to reduce the level of alcohol consumption by those aged under 16 years. [57888]

Mr. Charles Clarke: Education about alcohol is already a statutory requirement of the National Curriculum. The Department for Education and Employment has made increased support of £7 million available to Local Education Authorities this year, through the Standards Fund, to assist schools and the youth service to deliver effective education about drugs, including alcohol. The Department is also working closely with other Government Departments in taking forward the Government's 10 year Anti-Drugs Strategy, published earlier this year. Whilst the focus is on illegal drugs, alcohol is also addressed within the overall Strategy. To support and underpin the Strategy, we will also shortly be issuing targeted guidance to schools and the youth service on the effective delivery of education relating to substance misuse. In addition, the Department is represented on the Ministerial Group on Alcopops, which is taking forward the Government's work to combat underage drinking.

In partnership with the Department of Health, the Department launched earlier this year the National Healthy Schools Scheme. This Initiative is part of the wider Healthy Schools Initiative. We are making £2 million of support available this year to fund eight health and education pilot projects, one in each of the NHS regions. Criteria for healthy schools belonging to the scheme will be drawn up and an integral part of this will be for the school to deliver a comprehensive drug education programme. That programme will have to include education about alcohol.

Asthma

Mr. Duncan: To ask the Secretary of State for Education and Employment if he will publish the guidelines covering the responsibilities of local education authorities in catering within schools for the medical needs of children with *(a)* asthma and *(b)* allergy-related anaphylaxis. [57914]

Mr. Charles Clarke: In October 1996 the Department published Circular 14/96, "Supporting Pupils With Medical Needs in School", in conjunction with the Department of Health. This summarised the main legal provisions that affect schools' responsibilities for managing pupils' medical needs. At the same time, the Department also published "Supporting Pupils With Medical Needs: A Good Practice Guide", which includes sections dealing specifically with asthma and anaphylaxis. Both publications are available in the House of Commons Library.

School Expenditure

Mr. Michael J. Foster: To ask the Secretary of State for Education and Employment what estimate he has

made of the amount of money from delegated budgets underspent by schools in Hereford and Worcester in each year since 1989–90. [57922]

Ms Estelle Morris: The following table shows the amount held as balances by LEA schools in Hereford and Worcester for each of the financial years 1992–93, 1993–94, 1994–95, 1995–96, 1996–97 and 1997–98. Information regarding school balances/deficits prior to 1992–93 is not held centrally.

Balances held by LEA schools in Hereford and Worcester

Financial year	£
1992–93	13,867,000
1993–94	13,855,000
1994–95	12,294,181
1995–96	9,935,332
1996–97	9,940,809
1997–98	10,564,756

Supported Employment Scheme

Mrs. May: To ask the Secretary of State for Education and Employment if he will list the funding for *(a)* 1997–98 and *(b)* 1998–99 for the supported employment scheme for disabled people. [57708]

Ms Hodge *[holding answer 2 November 1998]:* Expenditure on the Supported Employment Programme for 1997–98 was £155.6 million. The allocated budget for the Programme for 1998–99 is £155.1 million. However, as announced last week we have made an additional £30 million available to help disabled people get jobs, half of which will be spent on supported employment.

People with a disability or long term illness will also be able to benefit from the New Deal for Disabled People for which £195 million has been set aside for the lifetime of this Parliament.

Equal Opportunities

Mr. Coaker: To ask the Secretary of State for Education and Employment if he will make a statement on the future of section 11 funding. [57927]

Mr. Charles Clarke: My right hon. Friend the Secretary of State for Education and Employment will shortly make an announcement about a new Standards Fund grant to replace the education element of section 11 grant. In the first year of the grant, 1999–2000, allocations will reflect Local Education Authorities' existing allocations.

Student Loans Company

Jackie Ballard: To ask the Secretary of State for Education and Employment what representations he has received on the performance of the Student Loans Company with regard to *(a)* responses to letters, *(b)* responses to telephone calls and *(c)* delays in payment of loans since the start of the academic year. [57864]

Mr. Mudie: As of 30 October, the Student Loans Company had paid out 283,100 loans. 99.7 per cent. were paid within 21 days against a target of 98 per cent. I have received no written representations about the Company's performance in this academic year, but DfEE officials have received 15 telephone calls about borrowers not being able to contact the Company by telephone. I understand that the Company has now updated both its telephone message system and website to handle certain calls. Some correspondence to the Company has been delayed, although most replies have been issued within 14 days. I understand that the Company has resolved the complaints it has received on telephone calls and correspondence.

Foreign Languages

Mr. Flynn: To ask the Secretary of State for Education and Employment what proposals he has to increase the number of school leavers who attain fluency in a second European modern language. [56857]

Mr. Charles Clarke *[holding answer 3 November 1998]:* Under the National Curriculum, all pupils must study English and all secondary school pupils must study a modern foreign language. Secondary schools must offer one of eight working languages of the European Union, and they can also offer other languages. In practice around 97 per cent. of pupils study French, German, Spanish, or a combination of these. The National Curriculum programmes of study give equal weight to four communication skills: listening and responding; speaking; reading and responding; and writing. We also support language learning through sponsorship of the Centre for Information on Language Teaching and Research (CILT), which encourages good practice through a range of information and advice to language teachers.

Primary Schools

Mr. Hancock: To ask the Secretary of State for Education and Employment (1) how many new infant schools have been *(a)* started and *(b)* completed in each of the last five years; and in which council areas the schools are located; [55814]

(2) how many new primary schools have been *(a)* started and *(b)* completed in each of the last five years; and in which council areas they are located. [57164]

Ms Estelle Morris: No statutory proposals to establish new infant schools have been approved in the last three years. The table shows the number of proposals approved and implemented in each Local Education Authority to establish new maintained primary schools in each of the last three years. The list includes proposals which have been determined by the Local Education Authority. A number of proposals have been decided but not yet implemented. Accurate information for earlier years is not available.

	Number approved	*Number implemented*
1998		
Barnet	1	1
Barnsley	2	—
Birmingham	1	1
Bromley	—	1
Cornwall	1	—
Derby City	2	—
Essex (pre 1 April 1998)	—	1
Hackney	1	—
Hampshire	1	1
Hertfordshire	1	—
Kent (pre 1 April 1998)	1	—

	Number approved	Number implemented
Lincolnshire	—	1
Newham	1	—
Northamptonshire	1	—
Nottinghamshire	1	—
Redbridge	—	1
Shropshire (pre 1 April 1998)	—	1
South Gloucestershire	1	1
Surrey	1	—
Swindon	2	—
Waltham Forest	—	1
West Sussex	1	1
Wiltshire (pre 1 April 1 April 1997)	—	1
Worcester	—	1
1997		
Barnet	1	1
Barnsley	3	3
Bromley	1	—
Buckinghamshire (pre 1 April 1997)	—	1
Cambridgeshire (pre 1 April 1998)	1	1
Cornwall	1	1
Coventry	3	3
Devon	1	—
Essex (pre 1 April 1998)	3	3
Hertfordshire	—	1
Kent (pre 1 April 1998)	2	1
Kingston Upon Hull	2	—
Lincolnshire	1	—
Milton Keynes	2	—
Newham	1	—
Redbridge	1	—
Shropshire (pre 1 April 1998)	1	—
South Gloucestershire	1	—
Stockton on Tees	1	—
Sutton	—	1
Waltham Forest	—	1
West Sussex	1	1
Worcester	1	—
1996		
Barnet	—	1
Buckinghamshire (pre 1 April 1997)	1	—
Camden	—	1
Coventry	4	4
East Sussex (pre 1 April 1997)	1	—
Essex (pre 1 April 1998)	1	—
Oldham	—	2
Surrey	1	2
Sutton	1	—
Tower Hamlets	—	1
Waltham Forest	1	2
Warwickshire	2	3
West Sussex	1	—
Wiltshire (pre 1 April 1997)	1	—

Special Educational Needs

Mr. Stephen Twigg: To ask the Secretary of State for Education and Employment when he expects to publish the Government's response to consultation on the Green Paper "Excellence for all Children: Meeting Special Educational Needs". [58535]

Ms Estelle Morris: Consultation on the Green Paper "Excellence for all Children: Meeting Special Educational Needs" generated many thoughtful ideas and comments. In the light of these, and the advice of the National Advisory Group on Special Educational Needs (SEN), we have today published "Meeting Special Educational Needs: A programme of action". Copies have been placed in the Library. Copies will also be sent to all MPs.

The Action Programme sets out the progress we will make in five key areas:

- better support for parents and carers of children with SEN;
- improving the SEN framework, including revising the SEN Code of Practice;
- promoting the inclusion of more children with SEN in mainstream schools where parents want it and appropriate support can be provided and developing the role of special schools as part of an inclusive education system;
- developing the knowledge and skills of all staff working with children with SEN; and
- supporting a range of initiatives to promote partnership in SEN, locally, regionally and nationally.

Science Teachers

Mr. Jenkins: To ask the Secretary of State for Education and Employment what measures his Department is taking to increase the supply of science teachers. [57944]

Mr. Charles Clarke: Last week, my hon. Friend the Minister for School Standards announced a package of short-term measures to boost teacher recruitment, intended in particular to tackle problems recruiting secondary teachers in science and maths. Our proposals include:

- a £5,000 incentive for all those graduates training in and going on to teach science or maths;
- a new scheme to match 600 of the 7,000 people who have already told the Teacher Training Agency (TTA) that they would like to train on the job as teachers, to existing vacancies as science and maths teachers;
- the establishment of a new network of advisers at regional level to co-ordinate and energise local recruitment activities in areas of the country where shortages are most acute;
- mobilising the Employment Service to encourage unemployed people with the right experience and qualifications to train or re-train as teachers; and
- launching a drive to encourage returners to teaching.

The package will give added impetus to the strong programme of action already being taken forward by the TTA to boost teacher recruitment.

Looking ahead, our Green Paper on the modernisation of the teaching profession, to be published before the end of the year, will propose a range of fundamental reforms to improve the attractiveness of teaching as a career.

A-level Physics Curriculum

Mr. Jenkins: To ask the Secretary of State for Education and Employment what research his Department has *(a)* commissioned and *(b)* evaluated into the effectiveness of the A-level physics curriculum and exam in preparing students for degree courses in (i) physics and (ii) engineering. [57946]

Mr. Mudie: The Department has not commissioned or evaluated research on this specific issue. However, the Qualifications and Curriculum Authority (QCA) has recently completed a consultation on the development of new subject criteria for all A-level syllabuses, including physics, in the light of the Government's decisions on the future of A-levels following the recent *Qualifying for*

Success consultation. Both consultations fully involved both higher education institutions and organisations representing the interests of physics and engineering. QCA will be advising Ministers on the outcome of its recent consultation shortly.

SCOTLAND

Agriculture Subsidies

Mr. Davidson: To ask the Secretary of State for Scotland if he will list the total amount of public subsidies and support paid to agriculture in Scotland, the average amount per constituency and the amount paid to support the agriculture industry in Glasgow, Pollok in the last year for which figures are available. [57186]

Mr. Macdonald: Direct subsidies paid to farmers in Scotland for the latest year (1997) for which figures are available totalled £497 million. This information is not collected by Parliamentary Constituency.

Catering Courses

Mr. Alasdair Morgan: To ask the Secretary of State for Scotland (1) how many students there are in *(a)* full-time and *(b)* part-time catering education in Scotland; [57061]

(2) how many colleges offer catering education; how many graduates of such courses undertook further training in the last year for which figures are available; and if he will make a statement on the level of provision for catering courses in Scotland. [57062]

Mrs. Liddell: Thirty-eight further education colleges offered catering courses during academic year 1996–97 (the last year for which full figures are available), which were attended by 2,199 full-time and 8,028 part-time students.

Destination data are not collected centrally, except in respect of full-time students on higher education courses studied in further education colleges. In respect of the 179 such students on catering courses in 1995–96 whose destination is known, 57 undertook further full-time study.

College boards of management have a statutory duty, under section 12(1) of the Further and Higher Education (Scotland) Act 1992 to ensure that their college provides suitable further education, having regard to the likely needs of potential students of the college. The fact that so many of Scotland's colleges offer catering courses suggests that boards of management are responding adequately to local demand for such provision.

Defence Diversification Strategy

Ms Squire: To ask the Secretary of State for Scotland if he will make a statement on what action Scottish Enterprise has taken on the development of a national defence diversification strategy for Scotland in the last 18 months; and what plans it has to produce a report on this matter. [56378]

Mr. Dewar *[holding answer 3 November 1998]:* In Scotland, defence diversification has been taken forward as a business development activity at local level through Local Enterprise Companies rather than by Scottish Enterprise at a national level. The Local Enterprise Companies that have had most involvement in this activity have been Fife Enterprise, Glasgow Development Agency and Lothian and Edinburgh Enterprise Ltd.

HIV-AIDS

Dr. Strang: To ask the Secretary of State for Scotland how many people with AIDS died in *(a)* Scotland and *(b)* each health board region of Scotland in *(a)* 1988, *(b)* 1997 and *(c)* 1998 at the latest available date. [56984]

Mr. Galbraith: The information is set out in the following table:

AIDS deaths by health board and year of death as at 30 September 1998

Health board [1]	*1988*	*1997*	*1998* [2]
Ayrshire and Arran	0	2	0
Fife	0	1	0
Grampian	1	1	1
Greater Glasgow	8	6	5
Lanarkshire	0	1	0
Lothian	8	14	3
Tayside	0	14	2
Scotland	17	39	11

[1] Health Boards not listed recorded no deaths in any of these years.
[2] 1998 data to 30 September
Source:
The Scottish Centre for Infection and Environmental Health

Dr. Strang: To ask the Secretary of State for Scotland if he will list the cumulative number of people with AIDS who died in *(a)* Scotland and *(b)* each health board region of Scotland in (i) 1988, (ii) 1997 and (iii) 1998 at the latest available date. [56985]

Mr. Galbraith: The information is set out in the following table:

AIDS deaths by health board, Scotland
Cumulative deaths as at 31 December of specified year as at 30 September 1998

Health board	*1988*	*1997*	*1998*
Argyll and Clyde	0	4	4
Ayrshire and Arran	0	9	9
Borders	0	1	1
Dumfries and Galloway	0	3	3
Fife	1	12	12
Forth Valley	1	4	4
Grampian	3	29	30
Greater Glasgow	19	174	179
Highland	1	4	4
Lanarkshire	1	10	10
Lothian	14	329	332
Tayside	2	119	121
Scotland	42	698	709

Note:
1998 data to 30 September
Source:
The Scottish Centre for Infection and Environmental Health

Dr. Strang: To ask the Secretary of State for Scotland how many people diagnosed with AIDS and not known to have died there were in *(a)* Scotland and *(b)* each health board region of Scotland in (i) 1988, (ii) 1997 and (iii) 1998 at the latest available date. [56986]

Mr. Galbraith: The information requested is set out in the following table.

AIDS cases diagnosed and not known to be dead at specified dates by Health Board as at 30 September 1998

Health board	*at 31 December 1988*	*at 31 December 1997*	*at 30 September 1998*
Argyll and Clyde	2	1	3
Ayrshire and Arran	0	2	2
Borders	0	0	0
Dumfries and Galloway	0	0	0
Fife	1	13	14
Forth Valley	0	0	0
Grampian	1	7	6
Greater Glasgow	13	75	74
Highland	0	2	2
Lanarkshire	0	2	4
Lothian	25	97	99
Tayside	4	27	29
Scotland	46	226	233

Source:
The Scottish Centre for Infection and Environmental Health

Dr. Strang: To ask the Secretary of State for Scotland (1) how many people were newly diagnosed HIV positive (i) by probable means of transmission and (ii) in total in *(a)* Scotland and *(b)* each health board region of Scotland, for each year from 1988 to 1997, and for 1998 at the latest available date; [56987]

(2) if he will list the cumulative number of people who had been diagnosed HIV positive (i) by probable means of transmission and (ii) in total in *(a)* Scotland and *(b)* each health board region of Scotland, for each year from 1988 to 1997, and for 1998 at the latest available date; [56988]

(3) if he will list the cumulative number of people who had been diagnosed HIV positive and not known to have died (i) by probable means of transmission and (ii) in total in *(a)* Scotland and *(b)* each health board region of Scotland, for each year from 1988 to 1997, and for 1998 at the latest available date. [56989]

Mr. Galbraith: As the information requested is lengthy, I have arranged to place the details in the Library of the House.

NORTHERN IRELAND

Housing (Crossnacreevy Villages)

Mr. John D. Taylor: To ask the Secretary of State for Northern Ireland if he will make a statement on the number of homes *(a)* which have received planning approval and *(b)* for which application is presently under consideration by the planning department in the vicinity of Crossnacreevy villages. [56704]

Mr. Paul Murphy: Responsibility for this matter has been delegated to the Planning Service under its Chief Executive, Mr. T. W. Stewart, and I have asked him to arrange for a reply to be given.

Letter from T. W. Stewart to Mr. John D. Taylor, dated 2 November 1998:

The Secretary of State has asked me to reply to your recent Question about housing development in the vicinity of Crossnacreevy Villages. For the purposes of this Question, I have regarded the vicinity of Crossnacreevy Villages as being the following area:

Ballygowan Road between Roselawn and Gransha Road;

Church Road for half a mile from Crossnacreevy; and

Houston Road for half a mile on the west side of Ballygowan Road.

Our records show that only planning applications for individual houses in the countryside, within the above area, have ever been received. I can confirm that 10 of these applications were approved, while one was refused.

We are not processing any current applications for housing at this moment in time.

I hope this information meets your needs.

Inward Investment

Mr. McGrady: To ask the Secretary of State for Northern Ireland what plans she has to encourage inward investment projects in South Down. [57070]

Mr. Ingram: The most recent initiative by the Industrial Development Board for Northern Ireland to encourage inward investment in South Down is the development of the industrial site at Belfast Road, Downpatrick, the first phase of which has been completed. The opportunity presented by this development and other locations in South Down is brought to the attention of appropriate investors during their visits to Northern Ireland, for example through the IDB's recent roadshow in North America.

Comprehensive Spending Review

Ms Moran: To ask the Secretary of State for Northern Ireland when she proposes to consult with the new Northern Ireland Assembly on the outcome of the Northern Ireland Comprehensive Spending Review. [58564]

Mr. Paul Murphy: I have today sent a consultation paper on the Government's proposals for allocations to Northern Ireland programmes to the Initial Presiding Officer, as a reference under the Northern Ireland Elections Act (1998), requesting the views of the Assembly. Decisions on allocations will be announced next month in light of the consultation exercise. Copies of the Assembly consultation paper have also been placed in the Library, and are available from the Vote Office.

Prevention of Terrorism Legislation

Ms Moran: To ask the Secretary of State for Northern Ireland what arrangements she has made for this year's review of the operation of the Northern Ireland (Emergency Provisions) Act 1996. [58565]

Marjorie Mowlam: I am pleased to announce that Mr. John Jermyn Rowe, QC has accepted my invitation to carry out the annual review for 1998 of the Northern Ireland (Emergency Provisions) Act 1996, including those provisions inserted by the Criminal Justice (Terrorism and Conspiracy) Act 1998. If necessary, Mr. Rowe will also carry out reviews for the following two years.

Royal Ulster Constabulary

Mr. McWalter: To ask the Secretary of State for Northern Ireland when she will respond to the Third Report of the Northern Ireland Affairs Committee of session 1997–98 (HC 337) on the composition, recruitment and training of the Royal Ulster Constabulary; and what will be the basis of her response. [58566]

Marjorie Mowlam: I have today sent my response to the Committee and have, by the Committee's leave, placed a copy of my response in the Library.

I have consulted, amongst others, the Chief Constable and the Police Authority who have both given a broad welcome to the Report. The report provides a timely benchmark of opinion for the Independent Commission on Policing for Northern Ireland set up following the Good Friday Agreement as it considers the question of policing arrangements which can fairly represent all sections of the community in Northern Ireland and have widespread community support.

The Government have accepted a number of recommendations made by the Committee. These include:

Police officers who already belong to organisations such as the Loyal Orders, the Ancient Order of Hibernians and Freemasonry should register their membership of such organisations, initially on a voluntary basis;

There should be a more rigorous system of registration in place for new recruits; and

Registration should be on a private basis with RUC management and perhaps other relevant bodies such as the Independent Commission for Police Complaints.

A new working group is to be set up to consider how the proposals will be implemented. The working group will meet soon and examine:

how information relating to the private interests of police officers and others should be gathered and held;

how, if at all, such information should be available publicly;

which societies, bodies or interests should be covered;

which public agencies besides the police should consider schemes for registration; and

what, if any, further measures might be required to ensure that a system of registration works.

The Government have considered but rejected for now the proposal that membership of organisations mentioned by the Select Committee should in effect prevent someone from becoming a police officer. The question of a police service which can fairly represent all sections of the community in Northern Ireland is one of the main terms of reference of the Independent Commission on Policing and it would be peremptory to go further in advance of the Commission's findings.

Abortion

Mrs. Fyfe: To ask the Secretary of State for Northern Ireland (1) how many abortions were carried out in Northern Ireland in the latest year for which figures are available; [56669]

(2) how many abortions were performed by each health and social services board in each of the past five years for which figures are available. [56670]

Mr. McFall: The table outlines the number of abortions performed in each Health and Social Board area in Northern Ireland in the years 1996–97 and 1997–98.

Health and Social Services Board	*Number of abortions* 1996–97	1997–98
Eastern	782	706
Northern	368	336
Southern	369	315
Western	367	324
Total	1,886	1,681

The overwhelming majority of these abortions were classified as spontaneous abortions.

Mrs. Fyfe: To ask the Secretary of State for Northern Ireland on what grounds abortion can be performed in Northern Ireland *(a)* in the first and second trimester and *(b)* in the third trimester of pregnancy. [56671]

Mr. McFall: The law on abortion in Northern Ireland is governed by a combination of statute including the Offences Against the Person Act (1861), the Criminal Justice (Northern Ireland) Act 1945 and Case Law (R *v.* Bourne (1939)). Therapeutic terminations are carried out in Northern Ireland on strictly medical grounds (eg to save the life of the mother) irrespective of the stage of pregnancy.

PRIME MINISTER

Inter-ministerial Group on Older People

Mr. O'Hara: To ask the Prime Minister if he will publish the interim conclusion of the Inter-ministerial Group on Older People presented to him in July. [57900]

The Prime Minister: We value the positive contribution that older people make to our society and believe that their skills and experience should be utilised to the fullest extent.

As well as boosting NHS funding and tackling crime, specific measures the Government have announced to improve the lives of pensioners include:

From April 1999 a minimum income guarantee of at least £75 per week for single pensioners and £116.60 per week for couples;

VAT on domestic fuel cut to the lowest possible level of 5 per cent.;

free eye tests for all pensioners;

concessionary travel across the country; and

introduced winter fuel payments which provide extra help to over 7 million pensioner households towards their heaviest fuel bill.

We are also determined to ensure that the enormous contribution made to our national life by older people is

properly recognised and that their concerns are fully represented in policy making. I am very pleased with the progress made so far by the Inter-Ministerial Group. It has identified three priority themes: productive aging (practical measures to help older people remain active through work); care (including the health care-housing interface and transport); and consultation and involvement with older people themselves. The new Performance and Innovation Unit which I announced on 28 July 1998, *Official Report*, columns *133–34*, now being set up in the Cabinet Office, will consider productive aging as one of their first projects.

The Inter-Ministerial Group is planning to hold a seminar with a wide range of groups later this month to discuss the key themes in more depth. It has also commissioned research into the attitudes and aspirations of older people.

Portschach Talks

Mr. Trend: To ask the Prime Minister if he will make a statement on the European Expansion Plan as discussed at the Portschach EU talks; what level of funding was discussed; and from where such funding would originate. [58008]

The Prime Minister: This meeting of the Heads of Government was an informal meeting in preparation for the full European Council in Vienna, at which a broad range of issues were discussed. No formal decisions were taken.

AGRICULTURE, FISHERIES AND FOOD

Cattle Carcases

Mr. Duncan: To ask the Minister of Agriculture, Fisheries and Food what action has been taken by his Department to implement the Spongiform Encephalopathy Advisory Committee recommendations that carcases from cattle aged over 30 months must be deboned in licensed plants supervised by the Meat Hygiene Service, with the trimmings to be classified as SBOs. [57001]

Mr. Rooker: I refer the hon. Member to the reply given to the hon. Member for Tewkesbury (Mr. Robertson) on 2 November 1998, *Official Report*, column *425*.

Farmers' Retirement Schemes

Mr. Levitt: To ask the Minister of Agriculture, Fisheries and Food if he will review the operation of enhanced retirement schemes for farmers. [57295]

Mr. Rooker: Earlier this year the Government announced that they would not be introducing an early retirement scheme for farmers in the UK because of the limitations imposed by the current EU rules. The Commission has proposed changing these rules as part of its Agenda 2000 proposals and the Government will reconsider the possibility of introducing an early retirement scheme for farmers in the UK after any changes have been agreed.

Over-30-Months Scheme

Mr. Levitt: To ask the Minister of Agriculture, Fisheries and Food if the OTM scheme will continue for passport-holding cattle when they reach the age of 30 months. [57296]

Mr. Rooker: Yes. Effective implementation of the Over-Thirty-Month rule is a precondition for the lifting of the EU ban on the export of UK beef. The Government have at present no plans to modify the rule but, as with all BSE control measures, it is being kept under review. Any decision to change the 30 months age limit will be taken in the light of progress with the eradication of BSE and of further advice from the Spongiform Encephalopathy Advisory Committee.

Meat Hygiene Service

Mr. Gill: To ask the Minister of Agriculture, Fisheries and Food how many veterinarians have been recruited by the Meat Hygiene Service from outside the United Kingdom. [57721]

Mr. Rooker: The Meat Hygiene Service directly employs 14 Veterinary Surgeons from outside the United Kingdom. Of these, 10 are Citizens of other EU Member States and 4 are other Nationals.

The Meat Hygiene Service also contracts out Veterinary Services to Veterinary Agencies and Practices. 100 Citizens of other EU Member States and 4 other Nationals are employed in this way.

Mr. Gill: To ask the Minister of Agriculture, Fisheries and Food how many veterinarians are employed by or contracted to the Meat Hygiene Service; and how many more will be necessary to comply with EU meat inspection directives. [57722]

Mr. Rooker: The Meat Hygiene Service directly employs 55 Veterinary Surgeons at present. Veterinary Agencies and Practices also currently supply the Meat Hygiene Service with veterinary services under contract with 521 (172 on a full time equivalent basis) Official Veterinary Surgeons under contract.

The precise number of additional veterinarians required to bring supervision levels at licensed premises in Great Britain into line with the requirements of the EU Directives will depend on several factors, including the number of premises to be supervised. However, based on trends in the industry, the Meat Hygiene Service has estimated that some 300 to 400 additional veterinarians may be required.

FOREIGN AND COMMONWEALTH AFFAIRS

Senator Pinochet

Mr. Wilkinson: To ask the Secretary of State for Foreign and Commonwealth Affairs what prior notice he received of the arrest of Senator Pinochet of Chile. [57028]

Mr. Tony Lloyd *[holding answer 28 October 1998]:* My right hon. Friend the Foreign Secretary was briefed shortly after the Metropolitan Police received the request from the Spanish authorities for the provisional arrest of Senator Pinochet.

Mr. Wilshire: To ask the Secretary of State for Foreign and Commonwealth Affairs when *(a)* he and *(b)* his officials were first informed that Senator Pinochet had entered the United Kingdom on his current visit. [57426]

Mr. Tony Lloyd: My right hon. Friend the Foreign Secretary was first informed on 16 October, when he was briefed about the Spanish authorities' request to the Metropolitan Police for the provisional arrest of Senator Pinochet. The Chilean Embassy formally confirmed to FCO officials on 9 October that Senator Pinochet was present in the United Kingdom.

Mr. Wilshire: To ask the Secretary of State for Foreign and Commonwealth Affairs what arrangements were made by his officials to receive Senator Pinochet when he arrived at Heathrow Airport for his current visit. [57425]

Mr. Tony Lloyd: At the request of the Chilean Embassy, the Foreign and Commonwealth Office arranged for Senator Pinochet to use the VIP lounge on his arrival at Heathrow Airport, but there was no official reception and no representative of the FCO was present when Senator Pinochet arrived.

Mr. Wilshire: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list those people who contacted him or his officials about the diplomatic status of Senator Pinochet prior to the senator's arrest. [57414]

Mr. Tony Lloyd: Only officers of the Metropolitan Police contacted Foreign and Commonwealth officials about Senator Pinochet's diplomatic status prior to the Senator's arrest on 16 October.

Mr. Howard: To ask the Secretary of State for Foreign and Commonwealth Affairs from whom and when he obtained advice on Senator Pinochet's entitlement to diplomatic immunity. [57969]

Mr. Tony Lloyd *[holding answer 2 November 1998]:* My right hon. Friend the Foreign Secretary was told on the evening of 16 October of the advice on this subject that had been given by FCO officials to the Metropolitan Police.

Mr. Howard: To ask the Secretary of State for Foreign and Commonwealth Affairs what advice his Department gave the Metropolitan Police on Senator Pinochet's entitlement to diplomatic immunity. [57968]

Mr. Tony Lloyd *[holding answer 2 November 1998]:* This Department informed the Metropolitan Police that there were no grounds on the basis of immunity for not proceeding with the provisional arrest warrant.

Mr. Howard: To ask the Secretary of State for Foreign and Commonwealth Affairs to whom, apart from the Metropolitan Police, his Department gave advice on Senator Pinochet's diplomatic immunity. [57967]

Mr. Tony Lloyd: In addition to the advice on diplomatic immunity given to the Metropolitan Police before the arrest, this Department subsequently assisted the Home Office and their legal representatives in connection with the divisional court proceedings against my right hon. Friend the Secretary of State for the Home Department.

British Council

Mr. Ben Chapman: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the effectiveness of the work of the British Council. [58094]

Mr. Fatchett: The British Council plays a practical and very effective role in enhancing Britain's image and prestige abroad and in promoting fruitful partnerships in a wide field of activities. The scope of its work is impressive and encompasses not only cultural matters but such important areas as student recruitment and the promotion of British goods and services in education and training and the creative industries. Without the practical support the British Council provides, a number of the Government's foreign policy objectives would be more difficult to achieve.

Laos

Mrs. Gillan: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations his Department plans to make to the Laos Government following the meeting in his Department with Prince Savryavong Savang; and if he will make a statement. [57741]

Mr. Fatchett: The UK Ambassador in Bangkok is accredited to Laos and makes regular calls on the Lao government in Vientiane. He has raised our concerns about human rights and will continue to do so.

Convention on Conciliation and Arbitration

Mr. Mackinlay: To ask the Secretary of State for Foreign and Commonwealth Affairs on what date the United Kingdom ratified the Convention on Conciliation and Arbitration of the OSCE. [58006]

Mr. Tony Lloyd: The United Kingdom has not yet acceded to the OSCE Convention on Conciliation and Arbitration, but will keep the matter under review.

The Convention, which entered into force in December 1994, provides a mechanism for resolving disputes between states in the OSCE area. But in practice other dispute settlement mechanisms have been preferred, including the International Criminal Court of Justice. So far, no cases have been submitted for conciliation or arbitration under the Convention by any country.

Chile

Mr. Randall: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make representations to the Government of Chile calling on it to ensure the safety of all British scouts attending the World Jamboree of Scouts to be held in Chile in December. [58073]

Mr. Fatchett: Our Embassy in Santiago has repeatedly made it clear to the Chilean authorities that it is their responsibility to ensure the safety of all British nationals and British interests in the country. The Embassy will continue to do so as appropriate. The present advice against all non-essential travel to Chile stands.

Charter for Regional or Minority Languages

Mr. John D. Taylor: To ask the Secretary of State for Foreign and Commonwealth Affairs when Her Majesty's

Government acceded to the Council of Europe Charter for Regional or Minority Languages; what assessment he has made of the implications of the Charter for Scotland, Wales and Northern Ireland; and if he will make a statement. [57959]

Mr. Tony Lloyd: We have yet to accede to the Council of Europe Charter for Regional or Minority Languages but intend to do so, as my right hon. Friend the Member for Leeds, Central (Mr. Fatchett), the Minister of State, informed the House on 4 June 1998, *Official Report*, column *350*.

We propose to specify the Welsh language in Wales and the Gaelic language in Scotland under Part III of the Charter. We aim to specify the Irish language at an early date. Part II of the Charter will apply to the Scots language. We also propose to commission independent academic research which will help to determine whether Ulster-Scots should be treated as a language for the purposes of the Charter.

We are considering what aspects of the Charter should apply to the languages specified under Part III. At least 35 paragraphs or sub-paragraphs of the Charter must be identified and applied in such cases.

GCHQ

Mr. Plaskitt: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will publish the recruitment statistics for GCHQ for 1997 in line with the requirements of the Civil Service Commissioners; and how they compare with the figures for 1996. [58477]

Mr. Robin Cook: GCHQ notified the Commissioners that, in 1997, 236 recruits had joined or were in the pipeline. This compares with 228 staff recruited in 1996. In addition, five reappointments were made in 1997 compared with two in 1996.

SOCIAL SECURITY

National Insurance Recording Computer

Mr. Rendel: To ask the Secretary of State for Social Security what has been the cause of the problems with the NIRS2 computer system. [58261]

Mr. Darling *[holding answer 3 November 1998]:* The Contributions Agency (CA) has recently introduced a new National Insurance Recording computer system (NIRS2). The old NIRS1 system had to be replaced because it was aging and could not support future business and legislative changes, in particular those associated with the Pensions Act 1995.

The new system is designed to collect contributions, hold 65 million individual contribution records, calculate contributory benefits, provide data to many other Government Agencies, and pay age-related contribution rebates to Private Pension Providers. It is one of the biggest systems in Europe, with over fourteen million lines of computer software.

In April 1995 Andersen Consulting was awarded a contract, under the Private Finance Initiative (PFI), to replace NIRS1. The replacement system is the first major IT contract to be delivered under PFI. Under the terms of the PFI contract Andersen Consulting has borne all of its own costs in getting the system accepted and has not been paid for operating the new system until it was accepted. Payments for providing the new system did not commence until 13 July.

The original plan was to replace NIRS1 completely in February 1997. However, in March 1998 Anderson Consulting made a supplementary proposal to phase implementation, in order to reduce the technical and business risks. Therefore, the contract was varied, including financial compensation arrangements, to reflect this phased implementation between February 1997 and April 1999. This variation was documented in the National Audit Office report of May 1997. The contract letting and the phasing variation are fully covered in the 46th report of the Public Accounts Committee published on 17 September 1998.

Because of the scale, complexity and sensitivity of the NIRS2 system it has been thoroughly tested prior to acceptance by CA. During the first year of operation the system is being introduced through a series of pilots leading to national implementation.

Contingency plans were developed by both CA and Benefits Agency (BA) in order to accommodate the phased implementation and the attendant difficulties. These plans have been systematically updated to ensure minimum impact on contributors and benefit claimants.

In June 1998 data were transferred from the NIRS1 system to NIRS2. Andersen Consulting estimate that over four billion data items were successfully transferred before NIRS2 went live. Since then there have been some implementation problems; however, as I said in my letter of 11 September to Members of the House, no data have been lost and no records have been destroyed.

On 13 July 1998 the majority of the new system was switched on. After three weeks pilot several major business processes were implemented nationally. For example NIRS2 has read over 40 million items from end of year returns supplied by employers, posted over 14 million national insurance contributions for 1997–98, paid out over £630 million in age related rebates to holders of personal pensions and billed and/or collected £230 million in National Insurance contributions from the self employed. The CA is still piloting some key business processes.

On 14 September 1998 further parts of the system were switched on. Since then there has been a focus on piloting the links into the benefits systems. It is expected that the links to Jobseekers Allowance and Incapacity Benefit will start nationally in November. Andersen Consulting has submitted a plan that, subject to a satisfactory outcome from the current pilot exercise, enables the links to pensions and long term benefits to be available from December for implementation in early 1999. To reach this milestone problems identified during the pilot running of these functions critical to benefits must be cleared. These include the calculation of benefit entitlement for some cases; these are currently under investigation by Andersen Consulting.

As a result of the extended transition and pilot period there have been problems for some people making claims to Jobseekers Allowance, Incapacity Benefit, Retirement Pension and Widows Benefit.

Ninety five per cent. of new and repeat claims for JSA are being cleared using information from other DSS systems, from the claimant or by the award of an interim payment. An interim payment is made where the actual contribution position cannot be confirmed and an amount equal to the benefit rate is paid. The remaining 5 per cent. are currently being processed.

Ninety five per cent. of new claims for Incapacity Benefit are being cleared using information from other DSS systems, and the claimant. The 5 per cent. claims remaining are being processed or have been referred to Income Support. All interim payments and cases referred to Income Support will be reviewed when the NIRS2 system is fully implemented.

Most new Retirement Pension claims, an estimated 97 per cent. are being cleared using NIRS1 information. Because 1997–98 contributions are not being taken into account most claimants will be receiving initial awards. An initial award is a pension assessment based on the contribution information available at the time, in most cases the initial award of basic pension is likely to be correct or an underpayment of £1.25 a week. All initial awards will be reviewed as soon as the NIRS2 system is fully implemented and their 1997–98 contributions are posted. It is usual practice to make initial awards of benefit while waiting for additional contribution information. However, more cases than usual are being affected and claimants will have to wait longer before their retirement pension is finalised. In the remaining 3 per cent. of claims, where the Benefits Agency has no record of a claimant's contribution history, emergency payments equal to the basic pension rates can be made. All emergency payments will be reviewed when the contribution information is available.

Where there are unresolved issues relating to contracting out of State Earnings Related Pension Scheme (SERPS) some pensioners will be underpaid between a penny and a maximum of £100 a week. The Benefits Agency is undertaking clerical calculations in cases of hardship.

For Widows Benefit it is estimated about 10 per cent. of new claims are being cleared using information available to the Benefits Agency and the remaining 90 per cent. of new claims are being cleared by initial awards or emergency payments. All initial awards and emergency payments will be reviewed when NIRS2 information is available.

Where benefit payments are delayed as a result of the problems with NIRS2 payment of compensation will be automatically considered within the normal rules of the Department Special Payments Scheme. Where there has been an adverse effect as a result of the NIRS implementation on CA customers, compensation payments are being considered in line with normal procedures.

Considerable effort has been jointly made by DSS Agencies, private sector, pensions industry and Andersen Consulting to maintain service levels. All the work involved is being taken forward through a co-ordinated plan agreed between the DSS Agencies involved and Andersen Consulting. The key priority is to ensure that full normal operations can resume as soon as possible. It is expected that this will take until the end of this financial year. It will take longer to catch up on all backlogs. Within the plan, priority is being given to those aspects of the NIRS2 system, which most directly affect benefit claims. I shall keep the House informed of progress.

Departmental Toilets

Mr. Prior: To ask the Secretary of State for Social Security if he will make a statement on access by the public to toilets in buildings under his departmental control. [56095]

Mr. Denham *[holding answer 2 November 1998]:* Members of the public, including those with disabilities, have access to toilets in most of the Department's buildings. Many buildings also provide access to baby changing facilities.

There are a number of buildings where there is no current provision. In some it may be possible to provide toilets as part of a programme of upgrade and improvement. In others the layout of the building may make it impossible to provide toilets adjacent to public caller areas.

Options for improving toilet facilities are being identified as part of the Department's programme of estate strategic planning.

Child Maintenance

Mr. Rendel: To ask the Secretary of State for Social Security (1) how many and what proportion of parents with care will receive less child maintenance under the formula for assessing maintenance proposed in the Green Paper on child maintenance than they do currently, broken down to show those receiving *(a)* income support, *(b)* family credit and *(c)* disability working allowance, separately identifying those receiving none of these benefits; [55579]

(2) how many and what proportion of parents with care will receive less child maintenance under the formula proposed in the Green Paper on child support than they do currently, broken down into those now receiving *(a)* under £5, *(b)* £5-£9.99, *(c)* £10-£19.99, *(d)* £20-£29.99, *(e)* £30-£39.99, *(f)* £40-£49.99, *(g)* £50-£59.99, *(h)* £60-£69.99, *(i)* £70-£79.99, *(j)* £80-£89.99, *(k)* £90-£99.99 and *(l)* £100 and above per week. [55587]

Angela Eagle *[holding answer 19 October 1998]:* The information is not available in the format requested. Such information as is available is set out.

This table does not include 170,000 parents with care receiving Income Support who will see an overall increase in their income because of the proposed £10 maintenance premium. We estimate also that the new simpler scheme will mean that at least an additional 200,000 parents with care receiving Income Support will be assessed to receive maintenance for the first time.

Information relating to parents with care with a lower maintenance assessment

Banded original maintenance assessment (£ per week)	*Caseload*	*Proportion (per cent.)*
Under 5.00	*	*
5.00–9.99	1,000	1
10.00–19.99	4,000	4
20.00–29.99	8,000	9
30.00–39.99	12,000	13

Information relating to parents with care with a lower maintenance assessment

Banded original maintenance assessment (£ per week)	*Caseload*	*Proportion (per cent.)*
40.00–49.99	16,000	18
50.00–59.99	16,000	18
60.00–69.99	13,000	15
70.00–79.99	9,000	10
80.00–89.99	6,000	7
90.00–99.99	2,000	3
100 and over	3,000	3
All cases	90,000	100

Notes:
1. Estimates are based on the 97–98 caseload and current benefit rules and do not take account of, for example, the introduction of the Working Families Tax Credit.
2. Caseloads are rounded to the nearest 1,000 and percentages to the nearest percentage point. Figures may not sum due to rounding.
3. * denotes caseload of less than 500 or proportion of less than half of 1 per cent.

Of the 90,000 cases shown in the table 50,000 are receiving Family Credit where the reduction in maintenance could be offset by an increase in benefit. In the remaining 40,000 the parent with care is not in receipt of either Income Support or Family Credit. The number of parents with care receiving Disability Working Allowance is negligible.

Also, the information in the table relates to assessed liability and not to the amounts of maintenance actually being paid. Cash compliance is currently around 66 per cent. but we estimate that this will increase to 80 per cent. or more under the new scheme. We are also proposing that reductions in maintenance should be phased in, so parents with care with a lower assessment will not necessarily find their maintenance reduced immediately to the new amount.

Child Support Agency

Ms Walley: To ask the Secretary of State for Social Security (1) how many people who are currently waiting for a face-to-face appointment with an official from the Child Support Agency to discuss their case in the West Midlands have been waiting for *(a)* one month, *(b)* two months, *(c)* three months and *(d)* six months and over; [57059]

(2) if he will make a statement about the current staffing levels at the CSA Dudley Office. [57060]

Angela Eagle: We expect the Child Support Agency to provide a consistent, fair and efficient service to all its clients. We have set out proposals for radical reform in our Green Paper "Children First: a new approach to child support" (Cm3992).

The administration of the Child Support Agency is a matter for the Chief Executive, Mrs. Faith Boardman. She will write to my hon. Friend.

Letter from Mrs. Faith Boardman to Ms Joan Walley, dated 3 November 1998:

I am replying to your Parliamentary Questions to the Secretary of State for Social Security about face to face appointments and staffing levels in the Child Support Agency.

The Agency is divided into six front-line Business Units; a Business Unit consists of a Child Support Agency Centre and associated field offices. Information has been provided for the Midlands Business Unit.

As part of our ongoing commitment to improve significantly the quality of service to our customers, the Agency offers local interviews to both non-resident parents and parents with care. Where a customer requests an interview, and the query cannot be resolved by contacting them by telephone an interview will be arranged.

I am quite convinced of the need for much increased face to face contact to make our service more responsive to the needs of our customers. By increasing face to face contact we will provide customers with better explanations and improve their compliance and co-operation. Additionally, increased face to face contact should reduce the incidence of fraud.

We are in the process of changing our organisational structure, and we aim to offer significantly more face to face contact. It is our intention that more interviews will be offered, to more people, at more stages of the process and at more locations. A two month face to face trial has recently commenced involving 17 field offices nationwide with 65 staff dedicated to providing this face to face service.

The Agency's field offices deal with cases where a local interview is requested either by the parent with care or the non-resident parent. Additionally, field offices deal with cases where the Agency instigates a request for an interview; for example when:

a Reduced Benefit Direction is being considered

paternity is disputed

the Child Support Officer decides that an interview is the best way to progress a case

Information held on interviews does not differentiate between those requested by customers and those instigated by the Agency. However at 30 September 1998 Midlands Business Unit had approximately 400 interviews waiting to be carried out; in 1997–98 the average number of interviews carried out each month was 489. Information on the number of people currently waiting for an interview is not available, however early results from the face to face trial show that approximately 70 per cent. of interviews are carried out within 6 days of a request being received.

At 30 September 1998 the Midlands Business Unit's staffing level (whole time equivalent) was 1,220.6; this consists of 812.0 for the Dudley Centre and 408.6 for the associated field offices.

As part of our reorganisation we are transferring paper processing work from the field to the centres. Consequently the number of staff in the field network will reduce significantly over the next three to four years. However, we will be looking to increase the number of locations where we will carry out interviews; using facilities outside DSS. Field resources will then be focused specifically on improved face to face contact with customers. We expect the availability and amount of local face to face contact to increase significantly over the next year as a result. This is originally the area on which field staff were intended to concentrate at the start of the Agency; paper processing work was undertaken only as a short-term measure to help the Agency deal with the number of applications it received in the early years.

I hope this is helpful.

WALES

New Deal

7. **Mr. Martyn Jones:** To ask the Secretary of State for Wales how many companies in *(a)* Clwyd, South and *(b)* Wales have signed up to the New Deal. [56583]

Mr. Hain: Well over 2,000 firms have signed agreements to offer more than 3,800 jobs in Wales. In the North-East Wales District which includes the constituency of Clwyd, South, more than 200 employers are involved, with over 120 jobs offered to date.

National Tree Week

8. **Sir Sydney Chapman:** To ask the Secretary of State for Wales what initiatives his Department is taking to participate in National Tree Week. [56584]

Mr. Jon Owen Jones: We do, of course, support tree planting every week of the year, and we are fully committed to increasing the woodland area in Wales. National Tree Week is an excellent initiative and the Forestry Commission will be participating in several planting projects, often enlisting the help of school children.

European Structural Funds

9. **Mr. Rhodri Morgan:** To ask the Secretary of State for Wales if he will make a statement on progress in securing European structural funds support for Wales. [56585]

Mr. Michael: The Office for National Statistics published on 22 October GDP figures for the areas in Wales known by the Eurostat classification NUTS 2. The figures indicate that the West Wales and the Valleys NUTS 2 area should meet the criterion for Objective 1 as currently proposed by the Commission.

Public Health Action Plan

11. **Mr. John Smith:** To ask the Secretary of State for Wales if he will make a statement on the public health action plan for Wales. [56587]

12. **Mr. Win Griffiths:** To ask the Secretary of State for Wales if he will make a statement on the public health action plan for Wales. [56588]

Mr. Jon Owen Jones: The Better Health Better Wales—Strategic Framework was launched on 23 October and sets out the next steps to be taken to develop a medium to long term strategy to improve the health of the population of Wales. It focuses on improving the health and well being of people in Wales through strategies which promote and protect health and reduce inequalities in health through the encouragement of sustainable communities, a healthy lifestyle, and a better environment.

Secretary of State (Accountability)

13. **Mr. Nicholas Winterton:** To ask the Secretary of State for Wales what assessment he has made of the impact of the future Welsh Assembly on his accountability to hon. Members. [56589]

Mr. Michael: The establishment of the National Assembly for Wales will alter the range of issues for which the Secretary of State for Wales is responsible but he will remain accountable to Parliament for those functions which he retains, notably the promotion of primary legislation. The Government intend to submit evidence to the Procedure Committee of the House of Commons for its inquiry into the procedural consequences of devolution shortly.

Agriculture

14. **Mr. Paterson:** To ask the Secretary of State for Wales if he will make a statement on the state of Welsh agriculture. [56590]

Mr. Jon Owen Jones: The current problems in farming bring into sharp focus the need for Welsh agriculture to adapt. Our aim is to create a viable future for agriculture and encourage economic growth in rural Wales.

18. **Mr. Dafis:** To ask the Secretary of State for Wales what assessment he has made of the *(a)* economic and *(b)* social effect of the current crisis in Welsh agriculture. [56594]

Mr. Jon Owen Jones: The Welsh Office are currently preparing forecasts for hill farming incomes in 1997–98 as part of the annual review of economic conditions in the hills and uplands. It is intended that this information will be made available in a press notice shortly.

An assessment of incomes for those not farming in the hills will be made during the next two months and will be published in the New Year.

I recognise the importance of agriculture to rural Wales. Agriculture is estimated to contribute directly about 8 per cent. to total employment in the less favoured areas (LFA). Agriculture also indirectly supports jobs in other industries; and published studies suggest that in the LFA every 10 full-time jobs in agriculture support approximately a further 4 jobs in related industries.

Farmers' Assistance

15. **Mr. Jack:** To ask the Secretary of State for Wales which requests for assistance from the National Farmers Union in Wales he is currently considering for implementation. [56591]

Mr. Jon Owen Jones: I have had a number of meetings with the farming unions in Wales including the NFU. I am engaged in a constructive dialogue with the farmers' leaders and the industry about developing long term strategies for Welsh agriculture so that it can meet the demands of the twenty first century.

Commission for Local Administration

16. **Mr. Touhig:** To ask the Secretary of State for Wales what assessment he has made of the recent report from the Commission for Local Administration in Wales into a planning matter involving Caerphilly borough council; and if he will make a statement. [56592]

Mr. Jon Owen Jones: I am well aware of the problems highlighted by the Ombudsman's report.

The White Paper on modernising local government in Wales, which we published in July, announced the Government's intention to introduce a new ethical framework for local councils. This will include clearer codes of conduct for elected members and a far tougher regime in the event that codes are breached. The new arrangements will make it far harder for councillors to claim ignorance of the requirements placed upon them.

Rural Partnership

17. **Mr. Gareth Thomas:** To ask the Secretary of State for Wales what progress is being made in developing the rural partnership for Wales. [56593]

Mr. Hain: The inaugural meeting of the Rural Partnership for Wales will be held on 12 November at the University of Wales, Aberystwyth.

Its membership, which comprises 26 organisations, will bring together a wide range of interests and expertise and be a valuable source of ideas for tackling the many diverse issues affecting rural Wales.

Referendums (Funding)

19. **Mr. Viggers:** To ask the Secretary of State for Wales what evidence his Department supplied to the Neill committee in respect of funding for referendums. [56595]

Mr. Michael: I refer the hon. Member to pages 347–357 of volume 2 of the Fifth Report of the Committee on Standards in Public Life (Neill Report) which contains the full transcript of the oral evidence provided by Welsh Office officials. A copy of the written evidence provided by the Welsh Office is at section 16/404 on the CD-ROM accompanying volume 2.

Farming Incomes

20. **Mr. Spring:** To ask the Secretary of State for Wales if he will make a statement about farming incomes in Wales. [56596]

Mr. Jon Owen Jones: The Welsh Office are currently preparing income forecasts for hill farming incomes in 1997–98 as part of the annual review of economic conditions in the hills and uplands. It is intended that this information will be made available in a press notice shortly.

An assessment of incomes for those not farming in the hills will be made during the next two months and will be published in the New Year.

Job Losses (Swansea Valley)

21. **Mr. St. Aubyn:** To ask the Secretary of State for Wales if he will make a statement about the number of job losses in the Swansea valley over the last six months. [56597]

Mr. Hain: Some job losses are an inevitable part of the environment in a dynamic economy. However, it is important that jobs which are lost are replaced by new ones. Overall, employment in Wales is continuing to rise.

In the Swansea travel to work area, manufacturing industry has suffered a net loss of 582 jobs since the beginning of the year. This does not include the 500 new jobs which I recently announced will be created by International Rectifier with the establishment of their manufacturing plant at Penllergaer, Swansea.

Health Professionals

22. **Mr. Simon Hughes:** To ask the Secretary of State for Wales what representations he has received on the pay and conditions of health professionals in Wales. [56599]

Mr. Jon Owen Jones: I have received numerous representations on the pay and conditions of service particularly of nurses. The Pay Review Bodies are currently taking evidence on the pay of NHS staff within their remit and their recommendations will be announced in the New Year. The Government are also considering a revised approach to pay and conditions of service for all NHS staff.

NHS Trusts

23. **Mr. Livsey:** To ask the Secretary of State for Wales if he will make a statement on the representations made to him about the reorganisation of NHS trusts in Wales. [56600]

Mr. Jon Owen Jones: Public consultation on the proposals to reconfigure NHS trusts in Wales ended on 21 September. The comments received are now being taken into account in arriving at decisions which will be announced in due course. A summary of all representations received together with the Reconfiguration Project Teams' and Consultants' independent reports will be placed in the Library of the House when an announcement is made.

New Millennium Experience Company

24. **Mr. Chope:** To ask the Secretary of State for Wales when he last met the chief executive of the New Millennium Experience Company to discuss investment by that company in Wales. [56601]

Mr. Hain: Welsh Office officials meet with NMEC officials regularly to discuss progress over the Millennium Experience in Wales. I will be launching NMEC's Learning Experience in Wales on 20 November. I am pleased that NMEC has established an office in Wales.

LG Semicon

25. **Mr. Gibb:** To ask the Secretary of State for Wales if he will make a statement about the future of the LG Semicon plant at Newport. [56602]

Mr. Hain: The semiconductor plant is an important part of the overall LG project at Newport, which currently employs some 1,700 people. We understand that LG Semicon is considering a number of options for the future of the semiconductor plant, in the light of current economic circumstances and commercial discussions.

Health Services (West Wales)

26. **Mr. Denzil Davies:** To ask the Secretary of State for Wales what representations he has received concerning the restructuring of health services in west Wales. [56603]

Mr. Jon Owen Jones: Public consultation on the proposals to reconfigure NHS trusts in Wales ended on 21 September. The comments received are now being taken into account in arriving at decisions which will be announced in due course. A summary of all representations received together with the Reconfiguration Project Teams' and Consultants' independent reports will be placed in the Library of the House when an announcement is made.

Welsh Assembly (Child Care)

27. **Ms Julie Morgan:** To ask the Secretary of State for Wales what representations he has received about the provision of child care facilities in the National Assembly of Wales building. [56604]

Mr. Michael: We have received a small number of representations, and in response to the National Assembly Advisory Group's recommendations, my officials are considering the options for providing childcare for the Members and staff of the Assembly.

In addition, a feasibility study will be carried out, once the Assembly is in session, on the options for providing childcare facilities for visitors to the Assembly, along the lines of a drop-in crèche.

Waiting Lists

28. **Mr. Ieuan Wyn Jones:** To ask the Secretary of State for Wales if he will make a statement on the number of people on the waiting list for elective surgery for more than six months in health authorities in Wales. [56605]

Mr. Jon Owen Jones: Central data are only available for residents waiting over 12 months; the latest available figures show that at August '98 there were 9,274 residents waiting over 12 months for inpatient/day case surgery.

Coalfields Task Force

Ann Clwyd: To ask the Secretary of State for Wales if he will ensure that the proposals contained in the coalfields task force report will apply to Wales. [56586]

Mr. Hain: We shall be considering, where appropriate, the application of the recommendations to Wales as part of the work of the New Partnership for the Valleys.

Teacher Shortages

Mr. Dafis: To ask the Secretary of State for Wales what estimate he has made of the level of *(a)* current and *(b)* predicted teacher shortages for the next five years in the (i) primary and (ii) secondary sectors in Wales. [56574]

Mr. Hain: Assessments of the demand and supply of teachers are made on an England and Wales basis only. The model used for this assessment does not predict future teacher shortages. Latest data on vacant teacher posts in Wales show that, as at 13 January 1998, there were 105 vacancies for full-time appointments, or appointments of at least one term's duration, in nursery and primary schools and 60 vacancies in secondary schools.

GDP Statistics

Mr. Ruane: To ask the Secretary of State for Wales when he expects an announcement from the Office for National Statistics on GDP levels in the NUTS II areas of Wales. [56581]

Mr. Michael: The Office for National Statistics published on 22 October GDP figures for the areas in Wales known by the Eurostat classification NUTS 2. The figures indicate that the West Wales and the Valleys NUTS 2 area should meet the criterion for Objective 1 as currently proposed by the Commission.

TREASURY

Agriculture (Public Expenditure)

Mr. Maclean: To ask the Chancellor of the Exchequer what has been the total public expenditure, in current prices, on agriculture in the United Kingdom for each year from 1975 to date; and what are the planned totals, in current prices, for each year covered by the Government's Comprehensive Spending Review. [57501]

Mr. Byers *[holding answer 2 November 1998]:* The historical figures for public expenditure on agriculture in the UK can be obtained from "Agriculture in the UK" publications, and the GDP deflator series from the Treasury's deflator table (available in the House of Commons Library). The latest estimate for 1998–99 UK expenditure is £3,466 million. The UK totals for the years 1999–2000 to 2001–02 have not yet been finalised.

Agrimonetary Compensation

Mr. Colvin: To ask the Chancellor of the Exchequer what estimate he has made of the cost to Her Majesty's Government of claiming all the agrimonetary compensation to which British farmers were entitled in the current financial year. [57920]

Mr. Byers: The cost to the Exchequer of making use of all agrimonetary compensation would have been £818.5 million.

Care Packages (VAT)

Mr. Burstow: To ask the Chancellor of the Exchequer what is the estimated additional annual revenue yield following the ruling by Customs and Excise that VAT applies to household chores or errands if they are more than an incidental part of a package of care. [57773]

Ms Hewitt *[holding answer 3 November 1998]:* Negligible. Customs are now reviewing their policy on charity welfare services and consulting interested parties to agree the circumstances in which household chores or errands will be exempt from VAT.

Saving (Children)

Mr. Letwin: To ask the Chancellor of the Exchequer if he will introduce an equivalent to the former national savings stamps to encourage saving by children. [58256]

Ms Hewitt *[holding answer 3 November 1998]:* No. National Savings stamps were abolished many years ago following a recommendation from the Committee to Review National Savings (the Page Committee) in June 1973. The stamps were found to be an ineffective way of encouraging small savings. They were also expensive to administer. Re-introduction of stamps or an equivalent scheme is likely to do little to encourage savings and would be costly to the taxpayer. There are many savings schemes designed for children's savings from banks and building societies, and National Savings' Ordinary and Investment accounts and Children's Bonus Bonds are also popular for children's savings. Unlike stamps these offer interest.

Expenditure (Scotland)

Mr. Swinney: To ask the Chancellor of the Exchequer if he will give a more detailed breakdown of the components of expenditure under Scotland, other identifiable expenditure, as shown in table 7.7 General Government Expenditure in the Public Expenditure Statistical Analyses for 1995–96 and 1996–97; if he will make a statement on the changes between the two years; and if he will provide a corresponding breakdown of other identifiable expenditure, Scotland, for 1997–98. [57578]

Mr. Byers *[holding answer 3 November 1998]:* The following table shows a breakdown of identifiable general government expenditure in Scotland, other than that by Scottish departments, by broad function and by spending department, for 1995–96 and 1996–97.

£ million

Expenditure by department	*1995–96*	*1996–97*
Agriculture, fisheries, food and forestry	*2*	*130*
The Intervention Board	2	74
Ministry of Agriculture, Fisheries & Food	—	56
Trade, industry, energy, employment and training	*145*	*290*
Department for Education and Employment (inc. OFSTED)	111	121
Department of Trade and Industry	33	159
Department for Culture, Media and Sport	—	7
Office of Telecommunications	—	less than 1
Office of Gas Supply	—	less than 1
Office of Electricity Regulation	less than 1	less than 1
Registry of Friendly Societies	less than 1	less than 1
Transport	—	*161*
Office of Passenger Rail Franchising	—	156
Department of the Environment, Transport and the Regions	—	5
Office of the Rail Regulator	—	less than 1
Other environmental services	—	*27*
Department for the Environment, Transport and the Regions	—	27
Law, order and protective services	*47*	*72*
Crown Office	47	48
Home Office	—	24
Culture, media and sport	—	*7*
Department for Culture, Media and Sport	—	7
Office of the National Lottery	—	less than 1
Social Security	*8,608*	*9,142*
Department of Social Security	8,608	9,142

The figures for 1995–96 and 1996–97 are not comparable in many cases, due to changes in the approach used to collect the data. The coverage of the 1996–97 exercise for apportioning spending by country was wider, with a significantly lower proportion of total expenditure not being allocated. Where departments did not have precise accounting information, they were asked to use appropriate indicators to arrive at an estimate. (For example, allocation of administration costs in the same proportions as the corresponding programme expenditure).

Figures for identifiable general government expenditure in 1997–98 will be published in the next edition of Public Expenditure Statistical Analyses (PESA), in March or April 1999.

Farmers

Mr. Malcolm Bruce: To ask the Chancellor of the Exchequer if he will estimate the cost to public funds of allowing a one-off facility for UK farmers to average their profits for income tax purposes over the last five years; and if he will make a statement. [57947]

Dawn Primarolo: Currently farmers whose profits fluctuate by more than 25 per cent. can average their farming profits of two consecutive years and attribute half the total to each year. The resulting average profits can themselves be subject to averaging with later years. Together with the various provisions allowing any trading losses to be set against the profits of earlier or later years, this already gives farmers scope to smooth their profits over several years. The additional cost of allowing a one-off averaging over the last five years is difficult to estimate.

It would be extremely complicated for farmers to prepare, and the Inland Revenue to administer, five year claims, and it would not be possible to focus such a relief on particular sectors of farming.

The Government are very aware of the difficulties which farmers are facing as a result of the sharp decline in farm incomes. This is why the Minister of Agriculture, Fisheries and Food is in close touch with leaders of the farming industry to discuss what can be done to help the industry through this difficult time.

LORD CHANCELLOR'S DEPARTMENT

Judge Michael Kershaw

Mr. Gordon Prentice: To ask the Minister of State, Lord Chancellor's Department how many judgments are outstanding in cases heard before Judge Michael Kershaw *(a)* 18 months, *(b)* 12 months and *(c)* nine months ago. [57288]

Mr. Hoon: None.

HEALTH

Gulf War

Mr. Llew Smith: To ask the Secretary of State for Health what assessment he has made of the plans by the World Health Organisation to conduct a study of the health and environmental effects of the use of depleted uranium projectiles in Iraq during the Gulf War; and what assistance it has requested from Her Majesty's Government. [57106]

Ms Jowell: We understand the World Health Organisation is considering, with the Iraqi Ministry of Health, deploying a small team to carry out preliminary studies into the incidence rather than the cause of cancer in Iraq and to advise on further action. We have not carried out an assessment of these plans, nor have we been asked to provide assistance.

Anti-smoking Campaigns (EU Funding)

Mr. Fearn: To ask the Secretary of State for Health what is the Government's policy on European Union funding for campaigns to discourage smoking. [57181]

Ms Jowell: The Health Council has called for co-ordinated action to be taken by the Member States and at Community level to encourage the reduction of smoking. It has welcomed and is monitoring progress by the Commission in taking forward action proposed in its Communication of December 1996 on tobacco control. The Council and the European Parliament adopted in 1996 a five year action programme against cancer which includes specific actions to disseminate the best methods of overcoming addiction to smoking. We wholeheartedly support these activities.

Measles, Mumps and Rubella Vaccines

Mrs. Ewing: To ask the Secretary of State for Health if he will assess the findings contained in the paper by Robert E. Weibel and others published in Paediatrics March 1998 on the links between acute encephalopathy associated with attenuated measles vaccines. [56968]

Ms Jowell *[holding answer 29 October 1998]:* The paper by Weibel et al describes a group of children with neurological events following measles vaccines. All those cases included were selected through earlier application to the National Vaccine Injury Compensation Programme in the United States. We are advised by the Joint Committees on Vaccination and Immunisation (JCVI) that the information in the paper is not evidence that the vaccines caused the claimed outcomes, and is simply a descriptive study without appropriate control populations or avoidance of bias implicit in the case selection process. The JCVI is an independent expert committee which advises the United Kingdom health departments on matters concerning immunisation.

Mrs. Ewing: To ask the Secretary of State for Health in what quantities *(a)* myelin basic protein and *(b)* aluminium occurred in pre-1992 measles and MMR vaccine. [56963]

Ms Jowell *[holding answer 29 October 1998]:* The Department has been advised by the National Institute for Biological Standards and Control that the techniques involved in the manufacture of measles, mumps and rubella (MMR) vaccine have been specifically designed to prevent myelin basic protein from entering at the start of the manufacture and, if there were any, then such presence would subsequently be removed during the manufacture. No aluminium is involved in the manufacture of measles or MMR vaccines.

Mrs. Ewing: To ask the Secretary of State for Health what brands of MMR vaccine were withdrawn from use in September 1992; and what notice was given to other manufacturers about this withdrawal. [56964]

Ms Jowell *[holding answer 29 October 1998]:* The supply of Pluserix and Immravax measles, mumps and rubella vaccines, two vaccines which contained Urabe strain mumps vaccines, was discontinued in September 1992. As soon as the Department had clear evidence that there was a significant problem with Urabe mumps vaccines, not occurring with the remaining brand, MMR II which contained Jeryl Lynn mumps vaccine, the Department moved quickly to discontinue purchase of the two Urabe strain vaccines. The manufacturers of the MMR II vaccine were advised in September 1992 of the Department's requirements for more vaccine to prevent disruption to the childhood programme.

Mrs. Ewing: To ask the Secretary of State for Health which medical officer approved the Pluserix and Immuruvax brands of MMR vaccine. [56966]

Ms Jowell *[holding answer 29 October 1998]:* The decision to grant a licence for any medicinal product is taken by the licensing authority in the light of reports prepared by professional medical, pharmaceutical and scientific staff at the Medicines Control Agency, together with advice from the Committee on Safety of Medicines where appropriate.

Mrs. Ewing: To ask the Secretary of State for Health if he will list each of the years since 1969 in which vaccinations or revised vaccinations were introduced for mumps, measles or rubella. [56973]

Ms Jowell *[holding answer 29 October 1998]:* Measles immunisation was introduced in 1968; rubella immunisation was introduced in 1970 for girls aged 11–14 years; mumps was introduced as part of the Measles Mumps and Rubella (MMR) vaccine in 1988 and a second dose of MMR was introduced in 1996.

Mrs. Ewing: To ask the Secretary of State for Health if Priorix contains the same ingredients, and in the same quantities, as MMR vaccine. [56977]

Ms Jowell *[holding answer 29 October 1998]:* Priorix is a measles, mumps and rubella vaccine. The Summary of Product Characteristics contains details of the contents of Priorix, copies of which are in the Library.

Mrs. Ewing: To ask the Secretary of State for Health how many doses were in standard batches of *(a)* attenuated measles vaccine and *(b)* MMR in the period 1986 to 1989. [56978]

Ms Jowell *[holding answer 29 October 1998]:* Batches of vaccine vary in the number of doses they contain. Specific information on the number of doses per batch is held by the vaccine manufacturers.

Autism

Mrs. Ewing: To ask the Secretary of State for Health if he will assess the findings contained in the paper by Gina Delgiudice-Asch MD and Eric Hollander MD published in CNS Spectrums May 1997 on a review of clinical observations with respect to the possible auto-immune basis of autism, a copy of which has been sent to him. [56970]

Ms Jowell *[holding answer 29 October 1998]:* The Department is not aware of the status of the publication CNS Spectrums, or of how the articles are peer reviewed before publication.

Delgiudice-Asch and Hollander describe a number of immunological theories about autism, many of which, as the authors report, are either inconclusive or contradictory.

Joint Committee on Vaccination and Immunisation

Mrs. Ewing: To ask the Secretary of State for Health if he will list the members of the Joint Committee on Vaccination and Immunisation in the years *(a)* 1987, *(b)* 1988 and *(c)* 1989. [56965]

Ms Jowell *[holding answer 29 October 1998]:* The membership of the Joint Committee on Vaccination and Immunisation is given each year in the Health and Social Services Yearbook, copies of which are in the Library.

Alcohol Consumption

Mr. Nigel Jones: To ask the Secretary of State for Health what initiatives his Department is currently supporting to reduce the level of alcohol consumption by those aged under 16 years. [57886]

Ms Jowell: The Health Education Authority published "A Parent's Guide to Drugs and Alcohol" in June this year. It includes guidance on talking about drugs and alcohol with children of various ages and life stages from primary school age to young people over 16. It also includes basic facts about a range of illegal drugs, gases, glues, aerosols and alcohol.

The Healthy Schools Initiative, a key component of the public health strategy outlined in the Green Paper "Our Healthier Nation", was launched on 14 May this year. The Initiative aims to build on the concept of the healthy school not just to promote excellence in educational achievement but to foster emotional wellbeing and enable young people to improve their quality of life and that of the wide community.

Under the initiative, we are funding eight "Health Education Partnerships" pilot schemes. These will include the development of an informed approach to substance misuse including alcohol and smoking.

A Ministerial Group on Alcopops has been set up to tackle under-age alcohol misuse, its short and long term effects on health, and unacceptable behaviour of our young people in a co-ordinated and effective manner. The Department and other Government departments are represented on the group.

BSE

Mr. Dalyell: To ask the Secretary of State for Health if he will make a statement on his Department's responsibility for BSE compensation. [57341]

Ms Jowell: The responsibility for compensation in relating to Bovine Spongiform Encephalopathy rests with the Ministry of Agriculture, Fisheries and Food.

On the question of the payment of compensation for people who die from new variant Creutzfeldt-Jakob disease the policy of successive Governments has been that questions of negligence are best decided by the Courts and that, other than in cases where negligence is proven, a compensation scheme would not be appropriate.

Nursing Agencies

Mr. Gibb: To ask the Secretary of State for Health how much the NHS spent with nursing agencies in 1997 or the latest year for which figures are available. [58028]

Mr. Milburn: The latest available figures show that in 1996–97 the total national cost for employing agency nurses was £191.3 million.

Health Visitors

Mr. Salter: To ask the Secretary of State for Health if he will make a statement on the role for *(a)* health visitors and *(b)* school nurses in delivering the objectives set out in the White Paper "The new NHS: Modern, Dependable". [58258]

Mr. Milburn: The White Paper's objectives provide for improved public health through an integrated system of care based on partnership and driven by performance. Health visitors and school nurses will play an important role in both developing primary and community health care and in delivering these objectives.

Crohn's Disease

Mr. Wareing: To ask the Secretary of State for Health what action Her Majesty's Government are taking to fund research into the possible connection between the consumption of milk and Crohn's Disease; and if he will make a statement. [57671]

Ms Jowell: The Ministry of Agriculture, Fisheries and Food is funding a study of the microbiological quality of raw and pasteurised cows' milk. This study will include examination of samples for the presence of *Mycobacterium paratuberculosis* which has been suggested as a possible factor in the aetiology of Crohn's disease. The Medical Research Council recently agreed to set up an expert sub-group to steer and monitor the Council's research into various aspects of inflammatory bowel diseases, including Crohn's disease.

Mr. Wareing: To ask the Secretary of State for Health how many cases of Crohn's Disease have been registered during each of the past five years, indicating the age distribution of such cases. [57672]

Ms Jowell: There are no national figures on the incidence of Crohn's disease in the United Kingdom; however, data obtained for 20 centres throughout Europe in 1991–1993 indicate that the incidence of Crohn's disease (the rate at which people are diagnosed annually) is approximately 5 per 100,000 of population.

The number affected at any one time in the UK is about 50 per 100,000 (British Society of Gastroenterology, September 1996).

Crohn's disease occurs in all age groups although most commonly in young adults.

Community Care

Mr. Burstow: To ask the Secretary of State for Health what assessment he has made of the impact on community care services of including Special Transitional Grant in the revenue support grant settlement. [57776]

Mr. Hutton *[holding answer 3 November 1998]:* In every year since 1996, the amount of the previous year's special transitional grant has been fully taken into account in the calculation of the revenue support grant settlement. The impact of the settlement on community care services depends on spending decisions by local councils.

Written Answers to Questions

Thursday 5 November 1998

TRADE AND INDUSTRY

Millennium Exhibition

Mr. Peter Ainsworth: To ask the Secretary of State for Trade and Industry what is his latest estimate for the price of entry tickets to the Millennium Exhibition in Greenwich for *(a)* adults, *(b)* children, *(c)* families, *(d)* people with disabilities and *(e)* pensioners. [57211]

Mr. Mandelson *[holding answer 29 October 1998]:* The New Millennium Experience Company (NMEC) will announce the price range for tickets to the Millennium Experience at Greenwich in due course. The NMEC will ensure that prices are set at a level which will encourage as many people as possible from across the UK and abroad who wish to visit the Millenniuin Experience to do so. The prices will offer good value for money compared to other major attractions; whilst maximising income for the Company. There will be discounted rates for children, students, families, senior citizens and groups.

Mr. Peter Ainsworth: To ask the Secretary of State for Trade and Industry if he will list *(a)* those companies, organisations and individuals which have so far committed sponsorship to the Millennium Exhibition at Greenwich, *(b)* the projects or zones to which their sponsorship is committed and *(c)* the amount of sponsorship still to be committed to each zone. [57213]

Mr. Mandelson *[holding answer 29 October 1998]:* I refer the hon. Member to the answer I gave my hon. Friend the Member for Great Grimsby (Mr. Mitchell) on 27 October 1998, *Official Report*, columns *129–30.*

Mr. McWalter: To ask the Secretary of State for Trade and Industry if he will ensure that the Millennium Dome incorporates an area devoted to the contribution to philosophy and politics made by John Locke. [57768]

Mr. Mandelson: The New Millennium Experience Company (NMEC) aims to reflect the great wealth of British tradition which exists across many disciplines including philosophy and politics. However, it is not feasible for the contribution of every eminent individual in these fields to be reflected.

Fairness at Work

Mr. Boswell: To ask the Secretary of State for Trade and Industry what studies he has carried out into the compliance cost to businesses of the proposals in the Fairness at Work White Paper. [54669]

Mr. Ian McCartney: The White Paper on Fairness at Work proposes a balanced framework of workable and practical measures with the objective of supporting a new culture of partnership at work which will contribute to national prosperity. A regulatory impact assessment, considering costs and benefits, will be published when legislation is brought before Parliament.

Planning Consents

Mr. Chaytor: To ask the Secretary of State for Trade and Industry what representations he has received concerning demands for payments by freeholders for retrospective consents relating to planning applications; what plans he has to investigate such cases; and if he will make a statement. [57942]

Mr. Mandelson *[holding answer 4 November 1998]:* None.

Working Time Directive

Mr. Coaker: To ask the Secretary of State for Trade and Industry what steps he is taking to ensure *(a)* the Working Time Directive is implemented in full by employers and *(b)* employees are informed about their entitlement under the Working Time Directive. [57719]

Mr. Ian McCartney *[holding answer 4 November 1998]:* The Regulations implementing the Working Time Directive provide a number of rights, some of which are enforced by the health and safety enforcing authorities (the Health and Safety Executive) and Local Authority Environmental Health Officers, who will investigate any alleged breach of the measures, and others will be enforced by workers bringing complaints to Employment Tribunals.

The Department has run a public awareness campaign in the national press and made guidance material on the new legislation available through a number of public outlets (Libraries, Citizens Advice Bureaux etc).

Medical Research Council

Barbara Follett: To ask the Secretary of State for Trade and Industry if he will introduce measures to require the Medical Research Council to allocate a proportion of its funds to projects specifically designed to improve women's health. [58115]

Mr. Battle: The MRC has a broad national remit which must cover all areas of research relating to human health. The Government's relationship with the MRC is governed by the Haldane Principle whereby the Council is responsible for determining research priorities.

Research relevant specifically to women's health forms an important part of the MRC's portfolio, with around £47 million committed to research relevant to all areas of women's health, including reproductive health and other conditions such as breast cancer, ovarian cancer and osteoporosis.

Barbara Follett: To ask the Secretary of State for Trade and Industry (1) if he will list the amount spent by the MRC on commissioning research on pregnancy-related issues in each of the last five years; [58165]

(2) if he will list the projects funded by the Medical Research Council undertaking research on *(a)* pregnancy and *(b)* obstetrics for each of the last five years. [58116]

Mr. Battle: The MRC supports a significant portfolio of research into reproductive health, covering pregnancy and obstetrics, and also closely relevant areas such as infertility/fertilisation and conditions of the cervix. There are currently about 20 studies at the MRC's own research

establishments, principally the MRC Reproductive Biology Unit, and also the MRC Dunn Nutrition Unit (including the Dunn Nutrition Group in The Gambia), the MRC Human Biochemical Genetics Unit, the MRC Medical Sociology Unit, the MRC Laboratories in The Gambia and the MRC Molecular Haematology Unit. The MRC also supports some 50 studies through grants to universities, including 6 major Programmes and 9 clinical trials. The total value of this research (both establishments and grants) is estimated at £4.8 million in 1996–97 and £5.3 million in 1997–98.

The above research excludes a further body of related work covering embryology and foetal development, for which the MRC currently supports 10 studies in its own establishments and 60 studies in universities.

Details of current projects have been placed in the Library of the House. Information on previous projects is not available.

Barbara Follett: To ask the Secretary of State for Trade and Industry if he will list the criteria by which the Medical Research Council decides its priorities for funding projects. [58114]

Mr. Battle: All research proposals received by the MRC are evaluated using the same fundamental criteria:

scientific quality of the proposals;

significance and importance of the research topics;

proposals' contribution to the published scientific strategy of the MRC and the Department of Health (and, where appropriate, that of other Government Departments such as DFID);

value-for-money.

The claims for resources of particular proposals in one field are assessed against those of proposals in others, on a competitive basis.

Competitiveness

Mr. Jenkins: To ask the Secretary of State for Trade and Industry when he expects to publish the White Paper on Competitiveness. [57067]

Mr. Mandelson: I intend to publish the White Paper on Competitiveness in December.

Genetic Testing (Insurance)

Mr. McWalter: To ask the Secretary of State for Trade and Industry when the Government plan to publish their response to the Human Genetics Advisory Commission's report on the Implications of Genetic Testing for Insurance. [58945]

Mr. Mandelson: My noble Friend the Minister for Science today published, in conjunction with the Minister for Public Health, the Government's response to the HGAC report. In undertaking consideration of this issue, the Government have placed great importance on ensuring fairness of treatment for people seeking insurance cover. The response sets out a number of proposals which seek to build on the progress already made by the Association of British Insurers in developing industry-wide standards on underwriting and confidentiality. In line with the recommendations made in the HGAC report, the proposals include the establishment of an independent mechanism to evaluate the scientific and actuarial relevance of any genetic tests before they can be taken into account by insurers. Copies of the response have been placed in the Library.

Chile

Mr. Paterson: To ask the Secretary of State for Trade and Industry what assessment he has made of the impact of his remarks concerning the arrest of Senator Pinochet on behalf of the Spanish legal authorities on trade between Chile and the United Kingdom. [56571]

Mr. Mandelson *[holding answer 28 October 1998]:* The United Kingdom has well established trade links with Chile and I expect those to continue. We are one of Chile's main export markets. Although there has been a modest downturn in bilateral trade during the year to August, Chile still enjoys a substantial balance of trade. UK companies remain amongst the biggest group of foreign investors in Chile.

Mr. Wilshire: To ask the Secretary of State for Trade and Industry if he will list those Ministers with whom he has discussed the arrest of Senator Pinochet and the dates on which the discussions took place. [57430]

Mr. Mandelson: It is the normal convention under this and previous Governments that discussions which take place between Ministers are not routinely disclosed. On this occasion, however, it has been made public that my right hon. Friend the Prime Minister made it clear to the Cabinet on 22 October that there should be no discussion at Cabinet given that my right hon. Friend the Home Secretary might in due course have to address the issue in a quasi-judicial role.

Start-up Grants

Mr. Redwood: To ask the Secretary of State for Trade and Industry how many companies have re-paid start-up grants in the last five years. [58118]

Mr. Mandelson *[holding answer 3 November 1998]:* Fifteen.

Siemens

Mr. Redwood: To ask the Secretary of State for Trade and Industry, pursuant to his answer of 22 October 1998, *Official Report* column *1174*, when the payments of regional selective assistance were made to Siemens; and to what purposes the sums offered but not allocated were transferred. [58120]

Mr. Mandelson *[holding answer 3 November 1998]:* Payments of RSA to Siemens were made in March 1996 and March 1998.

The offer of grant to Siemens was reduced by £5 million in March 1998. This saving was returned to the central budget along with a number of other changes. A payment of £3 million, due in 1998/99, remains within the RSA budget at present. Final allocations for the Department's 1999/2000 budgets, when the final £4 million was due to be paid to the company, have not yet been made. This sum has not, therefore, been specifically allocated elsewhere.

CULTURE, MEDIA AND SPORT

Cricket

Mr. Nigel Jones: To ask the Secretary of State for Culture, Media and Sport what assessment he has made of the impact on cricket in Wales of the decision by the England and Wales Cricket Board to grant live television coverage rights to Channel 4. [56598]

Janet Anderson *[holding answer 4 November 1998]:* S4C has recently announced that it will transmit a substantial proportion of Channel 4's live Test match coverage of Wales, subject to other scheduling demands. Channel 4 has announced plans for substantial investment in the promotion and development of cricket over the next four years. Cricket in Wales will benefit from this additional funding and from the continued exposure of a good proportion of the sport's flagship events to wide television audiences.

Creative Industries

Mr. McWalter: To ask the Secretary of State for Culture, Media and Sport what quantitative assessment of the benefits which accrue from the investments in the development of the individual's imaginative and creative capacity the Government and Governmental agencies currently make. [57766]

Janet Anderson: The creativity and imagination of the British people are among our greatest strengths, shaping our culture and our position in the world. We will tomorrow be publishing an analysis of the economic benefits of our creative industries. These sectors, which we define as those which have their origin in the talent, skill and imagination of an individual and rely on the generation and exploitation of intellectual property for job and wealth creation, turn over nearly £60 billion a year and employ 1½ million people. They also constitute the fastest growing section of the national economy, earning us £8 billion in exports.

Public Appointments

Mr. Peter Ainsworth: To ask the Secretary of State for Culture, Media and Sport if he will list by name and stated political affiliation those persons appointed to non-departmental public bodies sponsored by his Department since 1 May 1997. [57306]

Mr. Chris Smith *[holding answer 29 October 1998]:* My Department does not collect details on the political affiliation of those appointed to public bodies. However, information on political activity is collected and published at the time of appointment in line with guidance issued by the Commissioner for Public Appointments.

This information is noted in a table which has been placed in the Library and which includes all appointments which fall under my responsibility or where my role is to advise my right hon. Friend the Prime Minister and, through him, Her Majesty the Queen.

PRIME MINISTER

Falkland Islands

Mr. Howard: To ask the Prime Minister if he will make a statement on the nature of his discussions with President Menem of Argentina with particular reference to the latter's statement that negotiations over the sovereignty of the Falkland Islands will start within three years. [58418]

The Prime Minister: I met President Menem on 29 October. We had an extensive discussion of various issues including bilateral relations, the global financial crisis, Mercosur and the future of Europe. I welcomed President Menem's public renunciation of the use of force against the Falklands, and raised our concerns over the proposed Argentine oil and fish legislation. President Menem reiterated Argentina's view on the Falklands. In turn I made it clear that the United Kingdom does not regard the sovereignty of the Falklands as negotiable. As we have repeatedly said, there will be no change in the status of the Islands unless that is the wish of the Islanders themselves.

DEFENCE

Reigate TA Centre

Mr. Blunt: To ask the Secretary of State for Defence what estimate he has made of the likely receipts arising from the sale of the Reigate TA Centre. [57583]

Mr. Doug Henderson: It is not our practice to make public information on the market value of individual TA Centres (under Section 7 of the Code of Practice on Access to Government Information) as it would prejudice my Department's position in any sales negotiation.

Defence Diversification

Ms Squire: To ask the Secretary of State for Defence when he proposes to publish a White Paper on Defence Diversification. [58476]

Mr. George Robertson: We have today published our White Paper "Defence Diversification: Getting the most out of defence technology", as Cm 4088. It describes how we intend to create a defence diversification agency, in fulfilment of our election manifesto. It follows the process of consultation set in motion earlier this year by our Green Paper, Cm 3861. We are most grateful to all those organisations and individuals who contributed to this process.

WALES

Playgroups

Mr. Barry Jones: To ask the Secretary of State for Wales (1) how he proposes further to assist pre-school playgroups; and if he will make a statement; [57440]

(2) how many registered accredited playgroups there are by county; and if he will make a statement. [57441]

Mr. Jon Owen Jones: The number of registered playgroups in each local authority area in Wales as at 31 March 1998 was:

Local authority area	*Number*
Blaenau Gwent	14
Bridgend	53
Caerphilly	45
Cardiff	141
Carmarthenshire	80
Ceredigion	48
Conwy	58
Denbighshire	51
Flintshire	63
Gwynedd	62
Isle of Anglesey	57
Merthyr Tydfil	14
Monmouthshire	38
Neath Port Talbot	19
Newport	46
Pembrokeshire	58
Powys	87
Rhondda, Cynon, Taff	73
Swansea	37
The Vale of Glamorgan	59
Torfaen	44
Wrexham	76
Total	1,223

Voluntary playgroups do very valuable work with young children in the years leading up to compulsory school age. Our aim is that the playgroup movement should continue to play a key role in the education and care of this age group. We have made £50,000 available this year in Wales through the Wales Pre-school Playgroups Association and Mudiad Ysgolion Meithrin to help ensure the survival of good playgroups under threat of closure. Funding is also available to the new partnerships planning early years education and childcare to develop childcare to complement early years education provision. We hope playgroups will take a full part in these new developments.

Funding decisions for next year are dependent on the outcome of the consultation on the Comprehensive Spending Review. Those decisions will be announced in due course.

Floods

Mr. Edwards: To ask the Secretary of State for Wales if he will establish an independent inquiry into the South Wales floods between 21 and 28 October. [57904]

Mr. Jon Owen Jones: The Environment Agency has kept me and my right hon. Friend informed of the effects of the very heavy rainfall on flooding in Wales. I have great sympathy for those who have been adversely affected by the flooding, but I am not aware of circumstances that would warrant an independent inquiry.

Hill Farmers

Mr. Moss: To ask the Secretary of State for Wales what was the income for hill farmers in Wales as *(a)* a total and *(b)* an average per farmer in 1997–98; and what are the predictions for income in the current financial year. [58014]

Mr. Jon Owen Jones: Estimates of hill farm incomes will be published by the department on November 30, with accompanying statistical tables placed in the library of the House.

INTERNATIONAL DEVELOPMENT

Sudan

Mr. Jim Cunningham: To ask the Secretary of State for International Development what initiatives she is assessing to aid relief efforts in Southern Sudan. [57795]

Clare Short: Since the current crisis in Southern Sudan began last February we have committed over £28 million bilaterally to provide humanitarian relief to the most vulnerable areas. We are working with Operation Lifeline Sudan and its partners to improve the efficiency, effectiveness and impartiality of the relief operation. But a just peace in Sudan is the only long term solution to the problems in the south. We continue to work with Inter governmental Authority on Development and urge all parties to the fighting to agree an immediate full cease-fire and to approach peace talks in a positive and constructive manner.

Debt Relief

Dr. Tonge: To ask the Secretary of State for International Development if she will make a statement on the progress of debt relief for post-conflict countries. [58186]

Ms Hewitt: I have been asked to reply.

At the Commonwealth Finance Ministers' Meeting in Ottawa, the Chancellor stated his commitment to assisting post-conflict countries, urging the IMF and World Bank to move forward quickly on proposals which recognise their special needs.

Post-conflict countries were also discussed at the recent Annual Meetings of the IMF and World Bank in Washington. The Development Committee of the IMF and World Bank recognised that for a number of countries, especially those with large and protracted arrears to multilateral institutions, the international community should explore additional ways to provide assistance more quickly and effectively. Bank and Fund staff were asked to develop guidelines and to report back to the Committee at the Spring Meetings in April. It was also agreed that interim assistance to post-conflict countries would be taken as counting towards their track-record under the HIPC Initiative.

SCOTLAND

Police and Ethnic Minorities

Mr. Sarwar: To ask the Secretary of State for Scotland what plans he has to improve the relationship between the police and ethnic minority communities. [56715]

Mr. McLeish *[holding answer 2 November 1998]:* I am satisfied that all Scotland's Chief Constables have already developed and are vigorously pursuing progressive race relation policies both within their forces and reaching out to the communities they serve. These

policies were developed in collaboration with leaders of ethnic communities. Police officers are required to give full weight to and robustly investigate racial incidents. A new offence of racial harassment and a requirement on courts to take account of any racial element in an offence were introduced in the Crime and Disorder Act 1998 and demonstrate our commitment to forging greater harmony within our communities.

Chefs

Mr. Alasdair Morgan: To ask the Secretary of State for Scotland what estimate he has made of the current number of vacancies for chefs in Scotland. [57064]

Mr. Dewar: The figures available refer only to vacancies notified to Employment Service jobcentres. Estimates suggest that about a third of all vacancies within the UK are notified to jobcentres, but this can vary by area and type of job.

In July 1998, there were 1,367 unfilled vacancies for chefs and cooks at Employment Service jobcentres in Scotland.

Mr. Alasdair Morgan: To ask the Secretary of State for Scotland what estimate he has made of the number of Scottish catering course graduates who find employment as chefs in the Scottish tourism industry. [57063]

Mr. Dewar: This information is not collected centrally.

Mr. Alasdair Morgan: To ask the Secretary of State for Scotland when he last met representatives of the catering profession in the Scottish Chefs Centre. [57065]

Mr. Dewar: I have occasion to visit catering establishments from time to time, when I both meet members of the catering profession and enjoy the fruits of their labours. But I have not visited the Scottish Chefs Centre.

Measles, Mumps and Rubella Vaccines

Mrs. Ewing: To ask the Secretary of State for Scotland (1) if he will assess the findings contained in the papers by Robert E. Weibel and others in Paediatrics March 1998 on the links between acute encephalopathy associated with attenuated measles vaccines; [56969]

(2) if he will assess the findings contained in the paper by Gina Delgiudice-Asch MD and Eric Hollander MD published in CNS Spectrums May 1997 on a review of clinical observations with respect to the possible auto-immune basis or autism a copy of which has been sent to him. [56971]

Mr. Galbraith *[holding answer 24 October 1998]:* I refer the hon. Member to the Answers given by my right hon. Friend the Minister for Public Health on 4 November 1998, *Official Report*, column *617*.

Autism

Dr. Kumar: To ask the Secretary of State for Scotland what steps he is taking (1) to ensure that educational authorities in Scotland have sufficient funds to develop new services for autistic children; and if he will make a statement; [57615]

(2) to instruct each education authority within the meaning of section 145 of the Education (Scotland) Act 1962 to provide him with information on the provision of special educational facilities for children who suffer from autism or other forms of early childhood psychosis; and if he will make a statement; [57618]

(3) to issue specific guidance on education services for autistic children in Scotland; and if he will make a statement; [57616]

(4) to ensure that each child with autism in Scotland receives a relevant educational service; and if he will make a statement; [57617]

(5) to collect information centrally on autistic children in Scotland; and if he will make a statement; [57620]

(6) to issue specific guidance on services for autistic children in Scotland; and if he will make a statement. [57619]

Mrs. Liddell: Education authorities have a statutory duty to secure the adequate and efficient provision of education for the children in their respective areas, including children with special educational needs. The services which any particular authority chooses to provide for its area and the nature of educational provision deemed suitable for any particular child at any given time, including a child with special educational needs, is a matter for it to decide in the first instance. The costs of services provided by authorities are met from their general funding.

The Framework for Mental Health Services for Scotland published in September 1997 provides a template by which Local Authorities and Health Boards in Scotland will work together to respond to the assessed needs of their local population in respect of the organisation of mental health services including where appropriate services for children and adolescents.

The Scottish Office Education and Industry Department commissions research and development work over a range of special education issues aimed at helping education authorities and other interested organisations to offer more effective provision. In June 1997 it published *Interchange No. 46: Educational Provision for Children with Autism in Scotland* (ISSN 0969–613X). This reports the results of a study examining where and how children with autistic spectrum disorders throughout Scotland are being educated. The project aimed to:

(a) develop an educational definition of autism to identify those children who need specific forms of education regardless of whether there is a formal diagnosis of an autistic spectrum disorder;

(b) identify the number of children reported to have autistic spectrum disorders in Scotland and the type of educational placements they attend;

(c) identify the kinds of educational practice with respect to these children and to highlight any issues of satisfaction or concern with those practices, as expressed by parents and professionals; and

(d) identify good practice in the education of these pupils and to make recommendations based on examples of good practice in Scotland and elsewhere.

A copy of *Interchange No. 46* was distributed to all headteachers, directors of education, teachers'

associations and voluntary organisations in Scotland. A copy has been placed in the House of Commons Library.

The Government wish to improve provision for special education needs and in May this year it issued *Special Educational Needs in Scotland: A Discussion Paper.* This paper seeks views on how the existing arrangements for special educational needs provision can be improved and made more responsive to the requirements of children with special educational needs and their families. Both Autism (Scotland) and the National Autistic Society have submitted a response. The response to the Discussion Paper as a whole is currently being evaluated and the Government will respond shortly.

Information on the school population is collected annually by the Scottish Office in the school census. The census undertaken in September 1998 requested for the first time information on children with autistic spectrum disorder.

"Government Expenditure and Revenue in Scotland"

Mr. Swinney: To ask the Secretary of State for Scotland when he will publish the next edition of Government Expenditure and Revenue in Scotland. [56980]

Mr. Dewar *[holding answer 29 October 1998]:* I refer to the answer I gave to my hon. Friend the Member for Cumbernauld and Kilsyth (Mrs. McKenna) on 9 July 1998, *Official Report*, column *605*.

Scottish Environment Protection Agency

Mr. Maxton: To ask the Secretary of State for Scotland when the Second Annual Report of the Scottish Environment Protection Agency will be published. [58944]

Mr. Dewar: A copy of SEPA's Second Annual Report and Accounts will be placed in the Library on Tuesday 10 November. It contains details of the progress made by SEPA during the period 1 April 1997 to 31 March 1998, the Agency's second year of operation.

Health Funding

Dr. Godman: To ask the Secretary of State for Scotland what additional funds he has made available to health boards, the Common Services Agency, the State Hospital and the Scottish Council for Postgraduate Medical and Dental Education for *(a)* 1999–2000, *(b)* 2000–01 and *(c)* 2001–02. [58946]

Mr. Galbraith: My right hon. Friend has today announced how the extra £1.8 billion flowing from the Comprehensive Spending Review will be allocated to the National Health Service in Scotland for the next 3 years. The extra allocations are £280m revenue and £20m capital, £547m and £43m, £852m and £58m for 1999–2000, 2000–01 and 2001–02 respectively.

For 1999–2000 £60m of the £280m revenue is being earmarked along with £80m of existing recurring funds for a new long term Modernisation Programme. This Programme is designed to improve the services provided for patients and ensure the National Health Service in Scotland is prepared for the 21st century.

In the Modernisation Programme £43m will be directed centrally for planned strategic developments in, for example, areas of information technology, education and training, and to implement proposals arising from the Acute Services Review and the forthcoming Public Health White Paper. The balance of the Modernisation Programme funds (£97m) will be distributed with Health Board allocations, again for implementing national strategic developments such as improving care in the community, reducing waiting times and waiting lists and investing in information technology.

Details of the Health Board allocations for 1999–2000 and the indicative allocations for the Common Services Agency, the State Hospital and Scottish Council for Postgraduate Medical and Dental Education are shown in the table.

NHS in Scotland allocations: 1999–2000 and indicative allocations: 2000–01 and 2001–02

£ million

Health Boards	*1999–2000*	*2000–01*	*2001–02*
Argyll and Clyde	393.751	414.838	439.166
Ayrshire and Arran	335.768	354.137	375.292
Borders	97.582	102.651	108.835
Dumfries and Galloway	140.081	147.476	156.022
Fife	290.922	306.994	326.431
Forth Valley	234.283	246.863	261.378
Grampian	423.730	445.450	470.605
Greater Glasgow	848.876	897.550	956.075
Highland	192.958	203.484	216.192
Lanarkshire	471.483	497.621	527.675
Lothian	630.340	664.481	705.830
Orkney	19.013	20.049	21.294
Shetland	22.155	23.264	24.545
Tayside	368.672	387.424	409.207
Western Isles	34.007	35.743	37.751
Common Services Agency	84.800	80.200	80.500
SCPMDE	129.000	134.000	139.000
State Hospital	14.694	15.502	16.309
Total	4,732.115	4,977.725	5,272.108

Note:
These figures may not add due to roundings.

Children's Safeguards Review

Dr. Godman: To ask the Secretary of State for Scotland when he intends announcing the Government's response to the Children's Safeguard Review prepared by Roger Kent; and if he will make a statement. [58947]

Mr. Dewar: Action is being taken on a number of fronts to safeguard and promote the welfare of children living away from home. Today I am pleased to announce that the Government's response to Mr. Kent's Review has been made available in the Libraries of both Houses. We consulted widely on the Review and its 61 recommendations. We see it as an important milestone in raising standards and improving services for looked after children. Our response demonstrates our practical commitment to this process and sets out priorities for action. That commitment will be underpinned by resources.

I can announce today that an additional £36.7m over the next 3 years will be made available to improve children's services, £15m of which will be allocated specifically for implementation of key proposals in the Review. The Government's response, supported by

additional resources, is a clear indication of the importance we attach to this task. It will be made widely available to local authorities and voluntary organisations so that they can play their full part in helping to protect and secure better outcomes for this vulnerable group. We owe them nothing less.

Food-related Scientific Services

Mr. Jim Murphy: To ask the Secretary of State for Scotland when the independent group appointed in May to undertake a review of food-related scientific services in Scotland is due to report. [58950]

Mr. Galbraith: The Review Group led by Professor Morag Timbury provided me with their final report on 23 October and copies are available in the House of Commons Library. I am very grateful to the Chairman and Members of the Group for undertaking this complex review of a service which is an essential element of the food law enforcement and surveillance system which directly helps to safeguard public health. The detailed recommendations presented by the Group will be very carefully considered in order to ensure that all necessary changes to the existing system can be introduced to secure an efficient and effective food-related scientific service.

FOREIGN AND COMMONWEALTH AFFAIRS

Senator Pinochet

Mr. Forth: To ask the Secretary of State for Foreign and Commonwealth Affairs what arrangements were made by or through his Department for the arrival of Senator Pinochet in the United Kingdom. [57042]

Mr. Tony Lloyd: I refer the right hon. Member to the answer I gave to the hon. Member for Spelthorne (Mr. Wilshire) on 4 November 1998, *Official Report*, column *601*.

Mr. Howard: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list all representations and telephone calls made by his Department about Senator Pinochet between 14 and 17 October; and to whom they were made. [57966]

Mr. Tony Lloyd *[holding answer 2 November 1998]:* This Department made no representations and does not keep comprehensive records of telephone calls. But there were a number of calls with the relevant authorities at the time of his arrest, and my right hon. Friend the Foreign Secretary received a telephone call from the Chilean Foreign Minister on 17 October.

Mr. Wilshire: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer to the hon. Member for Walsall, North (Mr. Winnick) of 22 October 1998, *Official Report*, column *1206*, and to the answer given to the hon. Member for Hertsmere (Mr. Clappison) of 27 October 1998, *Official Report*, column *124*, if he will list the precise dates on which Senator Pinochet has been in the United Kingdom since 1 May 1997. [57659]

Mr. Tony Lloyd *[holding answer 2 November 1998]:* Pursuant to an answer given by my right hon. Friend the Secretary of State for the Home Department to the hon. Member for Hertsmere (Mr. Clappison) on 27 October 1998, *Official Report*, column *124*, our records indicate that Senator Pinochet arrived in the United Kingdom on 29 September 1997 and left on 21 October 1997, with a break abroad between 5–17 October. He arrived in London on his current visit on 22 September 1998.

Mr. Howard: To ask the Secretary of State for Foreign and Commonwealth Affairs what communications his Department received from the Embassy in Chile in the week prior to the arrest of Senator Pinochet. [58417]

Mr. Tony Lloyd: On 9 October, the Embassy inquired about Senator Pinochet's health and whereabouts following press inquiries it had received that he had died that afternoon in London. The Embassy afterwards faxed a note of this incident for the record to London. On 16 October, the Embassy commented on reports of Spanish judicial moves against Senator Pinochet.

Gibraltar

Mr. Mackinlay: To ask the Secretary of State for Foreign and Commonwealth Affairs what initiatives were rejected during the United Kingdom presidency of the EU by Spain consequent to the dispute over the status of Gibraltar. [55981]

Ms Quin *[pursuant to her reply, 26 October 1998, c. 86]:* An administrative error led to an incorrect reference to the number of instruments adopted at the Justice and Home Affairs Council on 28–29 May. A revised answer is printed below.

Before the start of the UK Presidency, Spain objected to various draft instruments in the Justice and Home Affairs field because of the terms relating to the inclusion of Gibraltar. We fully consulted the Government of Gibraltar throughout the ensuing negotiations during our Presidency. The Government of Gibraltar reluctantly decided that Gibraltar should be excluded from these instruments rather than participate as part of the UK legal jurisdiction. Two instruments were adopted at the Justice and Home Affairs Council on 28–29 May on this basis (ie with Gibraltar excluded): the Driving Disqualifications Convention and the European Judicial Network Joint Action. Gibraltar was excluded from a third measure at the JHA Council which has not yet been adopted (the Eurodac Convention).

Visitor Visas

Mr. Gerrard: To ask the Secretary of State for Foreign and Commonwealth Affairs what information he collects regarding the numbers of people who, having been refused visit visas to enter the United Kingdom, have subsequently been granted visas as a result of a new application at a later date. [57334]

Mr. Fatchett: This Department does not record this information.

Mr. Hancock: To ask the Secretary of State for Foreign and Commonwealth Affairs how many people, and from which countries, had visitors' visa applications rejected by UK officials in each of the last three years. [58286]

Mr. Fatchett: The number of visit visa applications (including short term students) refused at overseas Posts in the last three years is as follows:

Year	Number
1995	65,209
1996	69,791
1997	60,019

Our statistics are recorded by country of application but do not show the country of origin of the applicant.

Antarctic Treaty Secretariat

Mr. Corbyn: To ask the Secretary of State for Foreign and Commonwealth Affairs when he expects progress to be made on the establishment of an Antarctic Treaty Secretariat; and if he will make a statement. [58231]

Mr. Tony Lloyd: The Antarctic Treaty Secretariat may be discussed at the next meeting of the Antarctic Treaty Consultative Parties to be held in Peru in May 1999. The need for an Antarctic Treaty Secretariat has long been acknowledged by Consultative Parties, including the UK. But consensus on its location has not yet been reached.

Sierra Leone

Mr. Jim Cunningham: To ask the Secretary of State for Foreign and Commonwealth Affairs what recent initiatives his Department has taken to resolve conflict in Sierra Leone. [57796]

Mr. Tony Lloyd: We are playing a leading role in helping to promote lasting peace, democracy and prosperity in Sierra Leone. Britain is hosting the first meeting of the Sierra Leone Contract Group on 5 November. The meeting is intended to boost the efforts of the International community to build peace and reconciliation in Sierra Leone. Britain is also helping to resolve conflict by supporting the disarmament and reintegration of ex-combatants, through a £6.5 million pledge from the Department for International Development.

International Forum for Federalism

Mr. Maclean: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the planned participation by representatives from *(a)* the United Kingdom and *(b)* European Communities institutions at the inaugural conference of an International Forum for Federalism to be held by the Canadian Government. [58276]

Mr. Tony Lloyd: We are aware that the Deputy Prime Minister of Canada suggested the idea of an International Forum for Federalism in a speech to the London School of Economics and Political Science on 29 October. However, it would not be appropriate for HMG to make a statement on this initiative which, we understand, is only at an early stage of development.

Tobacco (EU Aid)

Mr. Fearn: To ask the Secretary of State for Foreign and Commonwealth Affairs what is the Government's policy on European Union aid to tobacco growers. [57182]

Mr. Rooker: I have been asked to reply.

The Government strongly disapprove of the Common Agricultural Policy support regime for tobacco. We believe that the Community should progressively disengage from support for tobacco production on grounds of health and cost. We continue to press for further progress in this area following the reform of the regime agreed in June of this year.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Waste Recycling

Mr. Bob Russell: To ask the Secretary of State for the Environment, Transport and the Regions what percentage of waste from the London boroughs of *(a)* Edmonton and *(b)* Lewisham is recycled. [56749]

Mr. Meale: Information from the Department's Municipal Waste Survey shows that the percentage of waste collected for recycling in 1996–97 in the London boroughs of Enfield (which includes Edmonton) and Lewisham were:

London borough	Percentage
Enfield[1]	6.4
Lewisham	2.8

[1] Total waste includes amounts collected at North London Waste Authority civil amenity sites situated in the borough of Enfield. Waste collected for recycling includes material recovered through mechanised metal extraction.

Driving Test Centres

Mr. Kidney: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer to the hon. Member for Crosby (Mrs. Curtis-Thomas) of 26 October 1998, *Official Report*, column 7, what plans the Driving Standards Agency has to re-establish a test centre in Stafford. [57486]

Ms Glenda Jackson: The Driving Standards Agency remains committed to re-establishing a driving test centre in Stafford. The search for a suitable site is continuing.

Genetically Modified Organisms

Mr. Alan Simpson: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to amend the remit of the Advisory Committee on Releases to the Environment; and what proposals for public participation in any decision relating to such changes he intends to make. [57412]

Mr. Meacher: The terms of reference for the Advisory Committee on Releases to the Environment already include the provision of advice on request to the Secretary of State. In future we shall be seeking advice from ACRE not only on the direct and indirect effects of genetically modified organisms into the environment but also on the possible resultant changes in agronomic practice and the subsequent effects on biodiversity. ACRE's advice on these questions will be made public through the DETR public register.

Recycled Land

Mr. Brake: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 28 July 1998, *Official Report*, column *110*, if he will publish the Oxford Brookes University research on the use of economic instruments to make it attractive to develop new housing on recycled land. [57928]

Mr. Raynsford: As part of the Modernising Planning initiative this year, Oxford Brookes University were commissioned to lead some seminars with stakeholders on the development of planning obligations, including the role of economic instruments, in connection with a wide range of development interests, including housing. The seminars were held under 'Chatham House' rules, with participants contributing under the assurance of confidentiality. Following the seminars Oxford Brookes University prepared a report to the Department with their findings. The Department is now considering these but has no plans to publish the report.

Jubilee Line

Mr. Gibb: To ask the Secretary of State for the Environment, Transport and the Regions how much Bechtel is charging per day to take over the project management of the Jubilee Line extension. [58202]

Ms Glenda Jackson: The contract between London Transport and Bechtel covers the provision of personnel with a structured charging mechanism, the details of which are commercially confidential.

Birmingham Northern Relief Road

Mr. Jenkins: To ask the Secretary of State for the Environment, Transport and the Regions what is the estimated start date of the Birmingham Northern Relief Road. [58408]

Ms Glenda Jackson: The start date is subject to the early determination of any appeal against the High Court judgment of 20 October on the statutory challenge to the orders for the scheme.

Kyoto Agreement

Mr. Nigel Jones: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of progress towards implementing the Kyoto agreement by *(a)* the United Kingdom, *(b)* other members of the European Union and *(c)* the United States of America. [57881]

Mr. Meale: On 26 October we became one of the first developed countries to launch a consultation paper on meeting its Kyoto commitments. The paper lists the steps we have already taken and sets out in detail further options on how the UK could reduce its emissions of greenhouse gases. It demonstrates that the UK is well placed to meet both its legally binding Kyoto target to cut greenhouse gas emissions to 12.5% below 1990 levels by 2008 to 2012 and our domestic aim of a 20% cut in CO_2 emissions by 2010. Greenhouse gas emissions are already about 7% below 1990 levels; and, on current policies, would be about 10% below by 2010.

European Union Member States are required under the *Council Decision for a monitoring mechanism of Community CO_2 and other greenhouse gas emissions* to report annually on their emissions. The UK Government monitor these reports closely. This mechanism has now been amended to allow assessment of progress towards meeting Member States' Kyoto targets.

Through our Washington Embassy and other contacts I receive regular reports of action taken, and proposed, by the US Government to reduce their greenhouse gas emissions. A recent US Administration report ("*The Kyoto Protocol and the President's Policies to Address Climate Change: Administration Economic Analysis*", July 1998) assessing the economic implications of their Kyoto target concluded that there was a strong rationale for action because of the dangers of climate change, and that the costs of doing so were likely to be modest.

Great Barford Bypass

Sir Nicholas Lyell: To ask the Secretary of State for the Environment, Transport and the Regions when he expects to instruct the Highways Agency to appoint consultants in relation to the Great Barford Bypass. [58102]

Ms Glenda Jackson: This scheme is included in our Targeted Programme of Improvements listed in A New Deal for Trunk Roads in England. That means that the scheme will definitely start within the next seven years, subject only to any outstanding statutory procedures. Detailed decisions on the timing of the schemes in the programme will be made shortly.

In the light of these decisions, the appointment of consultants and design agents will be commissioned to meet the agreed programme.

Arco Arun

Mr. Mackinlay: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the circumstances surrounding the sinking of the Arco Arum and subsequent salvage attempts in the Thames off Thurrock. [58077]

Ms Glenda Jackson: I believe my hon. Friend's question relates to the vessel Arco Arun. I understand that this aggregate dredger grounded off Broadness Point at approximately 1450 hours on 13 October. The vessel sustained a split in her hull and subsequently sank, clear of the navigation channel. No other vessels were involved, there were no casualties and, due to the quick response by the Port of London Authority, no damage to the environment. An inquiry by the Marine Accidents Investigation Branch is in progress and the PLA is conducting its own internal investigations. I understand that, following the appointment of salvors by the vessel owners, it became apparent that flooding had spread throughout the vessel and that specialist equipment would be required. The vessel owners have therefore now engaged the services of a company experienced in heavy lift and removal operations and they are currently assessing the situation.

Housing Associations

Mr. Bob Russell: To ask the Secretary of State for the Environment, Transport and the Regions what procedures

exist for him to monitor housing associations; and if he will arrange for the operations of the Springboard Housing Association to be investigated. [58097]

Mr. Raynsford: The Housing Corporation has the statutory responsibility for registering, regulating and funding housing associations, now known as Registered Social Landlords.

Springboard Housing Association is registered with the Housing Corporation. The association, along with all other Registered Social Landlords, is required to meet the Housing Corporation's Performance Standards. Compliance with these standards is reviewed annually. The Corporation investigates where there is evidence of non-compliance and has powers to ensure remedial action by RSLs in cases of serious mismanagement or misconduct.

I have asked the Housing Corporation to contact the hon. Member direct to answer any specific concerns.

Millennium Experience (Cable Car)

Mr. Spring: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the role of the cable car link to the Millennium Experience; and how many passengers it is expected to carry. [58018]

Ms Glenda Jackson: The Millennium Access transport strategy was developed before the proposed cable car, being promoted by a private company, was a consideration. The New Millennium Experience Company has estimated that 2 per cent. of visitors would use the cable car for part of their journey to the Dome. Should it not proceed there would be sufficient capacity on other modes to carry visitors to the Dome who might otherwise have used the cable car.

Chideock Bypass

Mr. Letwin: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the COBA study into options for a Chideock Bypass. [58223]

Ms Glenda Jackson *[holding answer 3 November 1998]:* No COBA study into options for a Chideock bypass has been carried out. At the 1994 public inquiry into the A35 Chideock/Morcombelake bypass one of the alternatives proposed by objectors was a single carriageway bypass for Chideock alone. The Highways Agency assessed the cost of this scheme as £5.9 million with a COBA net present value of £0.7 million at low traffic growth and £3.7 million at high traffic growth. But this scheme was not considered to represent a viable bypass for the village. An estimate was made by the Highways Agency in 1997 that a single carriageway bypass with climbing lanes for Chideock would cost approximately £12.5 million.

Teesside Development Corporation

Dr. Kumar: To ask the Secretary of State for the Environment, Transport and the Regions what happened to the *(a)* general furniture and *(b)* boardroom furniture which belonged to Teesside Development Corporation after the demise of the Corporation in April. [58303]

Mr. Meale: I understand that the Corporation's furniture was sold as part of a packaged disposal of its office equipment during its final three-month period.

Leasehold Reform

Mrs. Lait: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 31 March 1998, *Official Report*, column *493*, when he expects that the Green Paper on leasehold reform will be published. [58473]

Mr. Raynsford: We hope to issue our consultation paper on leasehold reform shortly.

Buses (London)

Mr. Corbyn: To ask the Secretary of State for the Environment, Transport and the Regions what review is being undertaken by his Department of the performance of bus franchises in London; and if he will make a statement. [58226]

Ms Glenda Jackson: The performance of bus passenger services in London is a matter for London Transport. The Department receives regular reports of the overall performance on the bus network and monitors this against targets set by the Secretary of State.

I would refer my hon. Friend to the Government's White Paper "A Mayor and Assembly for London" in which we have said that the present arrangements work well but that Transport for London should be free to develop and improve these arrangements working within a statutory framework similar to the present one.

Private Cars (London)

Mr. Corbyn: To ask the Secretary of State for the Environment, Transport and the Regions when he expects to announce detailed proposals on the reduction of private car traffic in central London. [58227]

Ms Glenda Jackson: The Government will be giving the Mayor of London the responsibility and the powers to deal with strategic traffic issues in the capital. The Mayor will produce an integrated transport strategy for London. Boroughs will be required to produce local implementation plans to give effect to this. Meanwhile the Government are promoting initiatives in London to improve public transport and encourage use of modes other than the private car—in line with our White Paper 'A New Deal for Transport'.

Climate Change Conference

Mr. Corbyn: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the aspects of policy covered by the Government's obligation to the Buenos Aires climate change conference to be held in November. [58229]

Mr. Meacher: My right hon. Friend the Deputy Prime Minister will be making a statement to the Buenos Aires Climate Change Conference (COP4) on Thursday 12 November. He will urge that as much progress as possible is made on outstanding implementation, questions of the Kyoto Protocol at COP4 and agreement on a work plan for early resolution of remaining issues. He will also update the Conference on progress made by

the United Kingdom Government in meeting its own commitments as set out in the consultation paper 'UK Climate Change Programme', which was issued on 26 October.

Mr. Corbyn: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the delegation he is sending to the Buenos Aires climate convention to be held in November. [58230]

Mr. Meacher: The UK delegation for the Fourth Conference of the Parties to the United Nations Framework Convention on Climate Change will consist of my right hon. Friend the Deputy Prime Minister, myself and the right hon. Member for Suffolk, Coastal (Mr. Gummer) and a total of 26 officials from the Departments of the Environment, Transport and the Regions, Trade and Industry, International Development and the Foreign and Commonwealth Office.

Coaches (London)

Mr. Fearn: To ask the Secretary of State for the Environment, Transport and the Regions what estimate he has made of the current volume at London coach terminals of passengers in transit to locations outside London. [58673]

Ms Glenda Jackson: Coach services interchange at several locations in London including Victoria Coach Station, Bulleid Way, Heathrow Airport, King's Cross and Russell Square. The Government do not compile information about these services. However, I understand it is estimated that around 3 million passengers departing from Victoria Coach Station each year transfer from other coach services at the Station.

Airline Subsidies

Mr. Fearn: To ask the Secretary of State for the Environment, Transport and the Regions what *(a)* legal and *(b)* diplomatic steps he is taking to stop European Union countries providing state subsidies to national airlines. [58474]

Ms Glenda Jackson: Application of the rules in the Treaty of Rome which govern state subsidies to national airlines is a matter for the European Commission. The UK Government oppose in principle all such subsidies which distort competition in the European single aviation market, and takes advantage of the limited rights granted to Member States under the Treaty, and of appropriate diplomatic opportunities, to present its views. The Commission now assesses requests for state aid more stringently than it did previously, and, when authorising aid to Alitalia in 1997, stated that it did not expect there to be any further such cases.

Councillors

Ms Harman: To ask the Secretary of State for the Environment, Transport and the Regions (1) if he will place in the Library the replies to the letters to local authorities asking them how many of their councillors are *(a)* men and *(b)* women; [58362]

(2) how many councillors for each local authority are *(a)* men and *(b)* women; [58363]

(3) what percentage of all local authority councillors are women; which council has the highest percentage of women councillors; and which has the lowest. [58364]

Mr. Raynsford: Research carried out by the publishers of the Municipal Year Book in the summer indicates that approximately 26 per cent. of councillors in the UK are female.

The replies to the letters to local authorities to which my right hon. Friend refers are not held by this Department. The question of these being placed in the Library is a matter for the Minister for Women and I have asked her to write to my right hon. Friend on this subject.

Pacific Crane

Mr. McGrady: To ask the Secretary of State for the Environment, Transport and the Regions at the time of the accident on Saturday 24 October at Barrow in Furness, involving the British Nuclear Fuels Ltd ship the Pacific Crane, what nuclear waste was carried in the ship; and what was its origin; and if he will make a statement. [58669]

Ms Glenda Jackson: There was no nuclear material on board the Pacific Crane at the time of the incident.

Leasehold Properties

Mr. Pike: To ask the Secretary of State for the Environment, Transport and the Regions what percentage of residential property in England, by regions, is owned on a leasehold basis. [58546]

Mr. Raynsford: The Survey of English Housing for 1996–97 found that 14 per cent. of residential properties in England were owned on a leasehold basis. The regional distribution is shown in the table:

Government office region	*Freehold accommodation*	*Leasehold accommodation*
North East	87	13
North West and Merseyside	70	30
Yorkshire and Humberside	91	8
The North	80	19
East Midlands	97	3
West Midlands	90	10
The Midlands	93	7
Eastern	93	7
London	71	29
South East	89	10
South West	90	11
The South	86	15
England	86	14

Green Ministers

Mr. Burgon: To ask the Secretary of State for the Environment, Transport and the Regions if he will list those ministers who are responsible for greening their departments. [58948]

Mr. Meacher: After recent changes in ministerial responsibilities, the following colleagues have been appointed as Green Minister in their Departments, under my continued Chairmanship.

Department	Minister
Agriculture, Fisheries and Food	Jeff Rooker MP
Chancellor's Departments	Patricia Hewitt MP
Culture, Media and Sport	Tony Banks MP
Defence	John Spellar MP
Education and Employment	Charles Clarke MP
Environment, Transport and the Regions	Glenda Jackson MP
Foreign and Commonwealth Office	Derek Fatchett MP
Health	Tessa Jowell MP
Home Office	Mike O'Brien MP
International Development	George Foulkes MP
Law Officers'	Ross Cranston MP
Lord Chancellor's	Geoff Hoon MP
Northern Ireland Office	The Lord Dubs
Cabinet Office	Peter Kilfoyle MP
Scottish Office	The Lord Sewel CBE
Social Security	Angela Eagle MP
Trade and Industry	John Battle MP
Welsh Office	Jon Owen Jones MP

African Elephants

Mr. Burgon: To ask the Secretary of State for the Environment, Transport and the Regions what was the outcome of the third dialogue meeting between African elephant range states held in Arusha, Tanzania from 28 September to 2 October; and if he will make a statement. [58949]

Mr. Meacher: As part of a continuing dialogue, African elephant range states met recently at Arusha to discuss implementation of decisions made at last year's CITES Conference to transfer the elephant populations of Botswana, Namibia and Zimbabwe to Appendix II of the CITES Convention to enable limited trade in elephant products to resume. The UK and other contributors to the costs of the meeting, the European Commission, the USA and Japan, attended as observers.

The 1997 Conference decisions set a number of conditions that have to be met before an experimental one off transhipment of ivory from the three proponent states to Japan can go ahead next year. These include the establishment of new pan-African and Asian monitoring systems to assess the level of elephant poaching and illegal trade in ivory. The World Conservation Union (IUCN) and TRAFFIC (the wildlife trade monitoring arm of IUCN and the World Wide Fund for Nature) were charged with developing these systems. Their proposals were presented to the Arusha meeting and endorsed by the range states present.

While African range states indicated their readiness to help finance the monitoring systems, there will be a need for external funding to get them up and running. Since effective monitoring systems will be vital to informing decision makers on whether the tenth Conference decisions have any adverse effect on levels of poaching and illegal trade, I am today pledging $40,000 of UK support for the new system to monitor illegal trade in ivory. This will enable the system to be set up and provide sufficient resources to fund its first year of operation.

The tenth Conference decisions also addressed the problem of growing Government stockpiles of ivory derived from management programmes and seizures. Parties agreed that fully audited stocks should be taken out of the system by way of non-commercial disposal. In return donors would provide financial assistance for elephant conservation and community development programmes with all monies managed under Conservation Trust Funds. At Arusha, the fourteen African countries that have had their registered government stockpiles audited by TRAFFIC discussed the best way to proceed. They agreed to co-operate in seeking financial assistance for conservation by this means and to route any indications of interest through the CITES Secretariat.

In keeping with this spirit of co-operation and in the expectation that this will lead to offers from other donors, including conservation organisations, I am today writing to the CITES Secretariat to let them know that the UK is willing to contribute £60,000 to fund conservation work in return for disposal of part of the registered ivory stockpile.

SOCIAL SECURITY

Computer Systems

Mr. Stringer: To ask the Secretary of State for Social Security what plans he has to modernise the Department's computer systems; and if he will make a statement. [58761]

Mr. Timms: Modernisation of the Welfare State is a priority for the Government and will involve major changes over a period of time to the ways in which welfare services are delivered. A key element of the strategy for the future is to provide the next generation of computer systems required to support improved service delivery to the public, whilst at the same time reducing the scope for error or fraud.

The ACcess to CORporate Data (ACCORD) procurement project was created to put in place Information System/Information Technology (IS/IT) supply arrangements with the private sector. The procurement, conducted in accordance with Government and EC procurement regulations, set out to establish Private Finance Initiative/Public Private Partnership (PFI/PPP) arrangements with suitable service providers.

First of all, in order to develop the core systems for the new IS/IT, the Department is announcing today that it intends to establish a close, long-term working relationship with a single preferred Service Provider. The AFFINITY consortium (led by Electronic Data Systems Ltd. with IBM UK Ltd., Cable and Wireless Communications Ltd. and PricewaterhouseCoopers) has been selected for this role and they will start work with the Department immediately to do the preparatory work necessary to design the strategic components of the next generation of IS/IT.

The Department is also announcing that it has selected three service providers it intends to work with for the provision of a wide range of IS/IT services in the future. As well as the AFFINITY consortium these will be:

ARCWAY, a consortium led by British Telecommunications plc with Bull Information Systems Ltd. and SEMA Group UK Ltd.; and

ACCORD, a consortium led by ICL plc with Anderson Consulting, Experian Ltd., Microsoft Ltd., Rand Information Systems Ltd. and Ferret Information Systems Ltd.

These selections are essential prerequisites to the detailed negotiations which will allow the commercial arrangements to be finalised with the service providers.

Following this, as supply needs arise from now and over the next 10 years, contracts for specific IS/IT services will be awarded through these providers.

We believe this arrangement between public and private provision is an important step towards modernising the Welfare State. In particular the establishing of a strategic relationship and joint working arrangements with the Preferred Service Provider will enable us to harness together the skills from both sectors.

Pensioner to Working Age Ratio

Mr. Corbyn: To ask the Secretary of State for Social Security what plans he has to re-examine the pensioner: working age ratio prediction for each five yearly period up to 2040; and if he will make a statement. [58228]

Mr. Denham: National population projections are produced by the Government Actuary's Department (GAD). GAD normally carry out projections every two years. The latest, 1996-based, projections were published on 27 November 1997. The next planned set of national population projections will be 1998-based and will be available towards the end of 1999.

NIRS 2 Computer

Mr. Rendel: To ask the Secretary of State for Social Security (1) what compensation will be available for people whose benefit payments are delayed as a result of problems with the NIRS 2 computer; [58259]

(2) how many pensioners *(a)* have been and *(b)* are forecast to be affected by the difficulties in introducing the NIRS 2 computer; and in what circumstances pensioners are not receiving their full pensions. [58260]

(3) what estimates his Department has made of the number of people affected *(a)* in total and *(b)* according to benefit claimed as a result of the difficulties with the introduction of the NIRS 2 system; [55850]

(4) how many new claimants have been awarded full benefit entitlement without establishment of national insurance records as a result of the difficulties with the introduction of the NIRS 2 computer system. [55848]

Mr. Chope: To ask the Secretary of State for Social Security (1) how many *(a)* pensioners, *(b)* widows and *(c)* widowers are currently in receipt of emergency payments because of the failure of the NIRS 2 computer system; [55854]

(2) what tests were carried out before the NIRS 2 computer system was implemented. [55855]

Mr. Timms *[holding answer 22 October 1998]:* I refer the hon. Members to the Written Answer my right hon. Friend the Secretary of State gave the hon. Member for Newbury (Mr. Rendel) on 4 November 1998, *Official Report*, columns *603–06*.

Benefits

Mr. O'Hara: To ask the Secretary of State for Social Security how many pensioners claimed *(a)* income support, *(b)* housing benefit and *(c)* council tax benefit in the latest year for which figures are available (i) in total and (ii) by each region of the United Kingdom. [57899]

Mr. Denham: The information is in the table.

Number of pensioners (in thousands) in receipt of Income Support, Housing Benefit and Council Tax Benefit—May 1997

Region	*Income Support*	*Housing Benefit*	*Council Tax Benefit*
North	107	131	176
Yorkshire and Humberside	155	197	279
East Midlands	120	121	185
East Anglia	56	73	104
London and South East	471	519	697
South West	133	122	193
West Midlands	178	186	288
North West	233	220	344
Wales	98	89	134
Scotland	169	230	296
Great Britain	1,720	1,887	2,696
Northern Ireland	75	50	n/a
United Kingdom	1,795	1,937	n/a

Notes:

1. Pensioners are defined, for Income Support/Housing Benefit/Council Tax Benefit purposes, as single persons aged 60 or over, or couples (married or unmarried) where one or both partners is aged 60 or over.

2. Figures are rounded to the nearest thousand, and may not sum due to rounding.

3. Council Tax Benefit/Housing Benefit data exclude second adult rebate cases.

4. There is an overlap in the figures, as most people receive both Housing Benefit and Council Tax Benefit.

5. Housing Benefit data for Northern Ireland are based on November 1997 data.

6. Council Tax Benefit does not exist in Northern Ireland.

Sources:

1. Income Support Statistics Quarterly Enquiry, May 1997; 5 per cent. sample.

2. Housing Benefit Management Information System, annual 1 per cent. sample inquiries for recipients with and without Income Support taken at the end of May 1997.

3. (Northern Ireland) November 1997 database.

Mr. Swinney: To ask the Secretary of State for Social Security if he will list each change to the eligibility rules for each state benefit since May 1997, indicating for each change the number of people estimated to *(a)* have lost and *(b)* been denied benefit as a result, indicating their average financial loss. [56249]

Angela Eagle: The information is not available in the format requested. The following regulations and orders have affected eligibility to benefits since May 1997; effects include both restrictions and extensions to future benefit eligibility.

The Social Security (Disability Living Allowance) Amendment Regulations 1997 SI No.1997/349

Section 19 of the Social Security Administration (Fraud) Act 1997—(The Social Security Administration (Fraud) Act 1997 (Commencement No. 4) Order 1997) SI No.1997/2669(c.100)

The Social Security (Miscellaneous Amendments) (No. 3) Regulations 1997 SI No.1997/1671

The Council Tax Benefit (General) Amendment Regulations 1997 SI No.1997/1841

Income-related Benefits (Miscellaneous Amendments) Regulations 1997 SI No.1997/2793

The Housing Benefit (General) Amendment (No. 2) Regulations 1997 SI No.1997/1974

The Housing Benefit (General) Amendment (No. 3) Regulations 1997 SI No.1997/1975

The Income-related Benefits and Jobseeker's Allowance (Amendment) (No. 2) Regulations 1997 SI No.1997/2197

The Social Fund Maternity and Funeral Expenses (General) Amendment Regulations 1997 SI No.1997/2538

The Social Security Amendment (New Deal) Regulations 1997 SI No.1997/2863

Social Security Amendment (New Deal) (No. 2) Regulations 1998 SI No.1998/2117

Social Security (Miscellaneous Amendments) Regulations 1998 SI No.1998/563

Social Security Amendment (Lone Parents) Regulations 1998 SI No.1998/766

Child Benefit and Social Security (Fixing and Adjustment of Rates) (Amendment) Regulations 1998 SI No.1998/1581

The Social Security (Welfare to Work) Regulations 1998 SI No.1998/2231

The Social Security (Miscellaneous Amendments) (No. 3) Regulations 1998 SI No.1998/1173

The Social Security Amendment (Capital) Regulations 1998 SI No.1998/2250

The Council Tax Benefit (General) Amendment Regulations 1998 SI No.1998/911

The Housing Benefit (General) Amendment Regulations 1998 SI No.1998/1732

The Social Security (Miscellaneous Amendments) (No. 4) Regulations 1998 SI No.1998/1174

The Social Security Amendment (Personal Allowances for Children) Regulations 1998 SI No.1998/1541

At the point of change, no one on benefit will lose out as a result of changes to entitlement rules. Further information about the effects of these changes could be obtained only at disproportionate cost.

Child Support Agency

Mr. MacShane: To ask the Secretary of State for Social Security how many cases of suicide by men from whom the CSA has sought payments are known to his Department since the agency began operations. [57292]

Angela Eagle: The Child Support Agency does not routinely keep records on the circumstances surrounding the death of a non-resident parent. The many factors that can lead a person to consider suicide do not point towards single explanations.

Occupational Pension Schemes

Mr. Derek Twigg: To ask the Secretary of State for Social Security if he will make a statement about the funding of age-related rebates in respect of members of contracted-out money purchase schemes. [58762]

Mr. Denham: Employers who operate contracted-out occupational pension schemes provide their employees with a pension to replace the pension they would have got had they remained in the State Earnings Related Pension Scheme (SERPS).

In contracted-out occupational schemes, both employer and employee pay lower rate National Insurance Contributions in recognition that full SERPS will not be paid. In a Contracted-Out Money Purchase Scheme (COMPS) part of the rebate is deducted from the national insurance contributions due by the employer. The remainder, known as the age-related rebate, is paid by the Contributions Agency to the pension scheme in the tax year following that in which it is due.

Section 42A of the Pension Schemes Act 1993 (PSA) provides the legislative authority for the age related rebate to be paid by the Secretary of State for Social Security to the pension scheme. This section was inserted into the PSA by the Pensions Act 1995. The intention is that these payments should be funded directly from the National Insurance Fund and classed as revenue forgone. However, the necessary provision to facilitate funding in this manner was erroneously omitted from the Pensions Act. So while there is a legislative duty to make the payments, there is no authority to fund them from the National Insurance Fund. As result a number of ultra vires payments have been made from the National Insurance Fund totalling around £490,000 which will have to be refunded from money voted by Parliament.

An amendment to the PSA to correct this defect will be put before Parliament. This will allow the payments to be funded properly from the National Insurance Fund in accordance with the original intention. Until the provisions are enacted temporary arrangements are necessary to ensure that the payments can continue to be made. Provision will also be made to ensure that the National Insurance Fund reimburses those accounts responsible for funding the payments up to the time when the legislation was brought into force.

Legislation under s177(1) of the PSA does, by default, allow the payments to be paid from money provided by Parliament. Since Parliament did not envisage using provision in this way the ambits of the DSS Votes do not cover age related rebates. A Supplementary Estimate is therefore needed to extend the ambit of Class XII, Vote 2. A token Supplementary Estimate of £1,000 has been sought on Vote 2 to amend the ambit to enable payments, totalling £82 million, to be made to Contracted-Out Money Purchase Schemes in respect of age related rebates. As the Contributions Agency computer system, NIRS2, does not have the functionality to separate the payments in respect of age related rebates, which are paid in conjunction with personal pensions, Vote 2 will, therefore, also be responsible for paying personal pensions. The National Insurance Fund which does have the legislative power to pay personal pensions will refund Vote 2 for the payments made on its behalf. These arrangements will continue until the defective legislation is corrected. An advance of £77 million has been sought from the Contingencies Fund to finance urgent expenditure. The advance will be repaid from Vote 2 when Parliament has approved the necessary token Supplementary Estimate.

HOME DEPARTMENT

Prisons (Quantum Project)

Ms Moran: To ask the Secretary of State for the Home Department what progress is being made on the Prison Service Quantum Project. [58941]

Mr. George Howarth: On 10 August 1998, the Director General of the Prison Service called a temporary halt to the Quantum Project and set up a thorough review which will take up to six months. In a message to Prison Service staff he said:

"It has become apparent that it may not be possible to achieve the original objectives of providing the Service with improved information systems and business processes in a way which safeguards the vital operational capability of the Service".

These and other concerns will be addressed in the review process, which will reassess the way forward and consider a range of alternative options. The objective is to ensure that the project meets the needs of the Prison Service.

Police (Objectives)

Ms Moran: To ask the Secretary of State for the Home Department what objectives he will be determining for policing for 1999–2000. [58942]

Mr. Straw: I will announce my objectives, which identify our Ministerial priorities for policing in 1999–2000, together with supporting Key Performance Indicators, tomorrow, 6 November. I will arrange for copies to be placed in the Library at 10.00 am.

Asylum Seekers

Ms Moran: To ask the Secretary of State for the Home Department what arrangements are being made to issue monthly statistics of asylum. [58943]

Mr. Straw: Until now, the asylum statistics have been available only in the Home Offices' annual Asylum Statistics Bulletin and in a summary form twice a year in the Control of Immigration Statistical Bulletin. These Bulletins contain detailed information on asylum applications, demographic characteristics of asylum seekers, decisions, appeals, detention and removals.

Selected monthly information has, however, been available only on request from the Home Office Press Office. I am therefore arranging for selected monthly statistics of asylum to be placed on the Home Office Research Development Statistics Website (http://www.homeoffice.gov.uk/rds/index.htm) on the 25th of each month, or the next working day, and to be also available through the Library and the Home Office Press Office.

Mr. Malins: To ask the Secretary of State for the Home Department if he will list the percentages of the total number of asylum seekers who were given *(a)* refugee status and *(b)* exceptional leave to remain for each year for which figures are known since 1993; what assessment he has made of the factors underlying changes in those percentages; and if he will make a statement. [57759]

Mr. George Howarth: The requested information is given in the table.

Cases[1] recognised as refugees and granted asylum and those granted exceptional leave, excluding dependants[2], as a proportion of all decisions—1993–1997
Principal applicants

percentage

Year	*Recognised as a refugee and granted asylum*	*Granted exceptional leave*
1993	7	48
1994	4	17
1995	5	16
1996	6	13
1997[3]	11	9

[1] Information is of initial determination decisions, excluding the outcome of appeals and other subsequent decisions.
[2] Cases not recognised as refugees but granted exceptional leave.
[3] Provisional figures

The proportion of applicants recognised as refugees and granted asylum shows little variation between 1993 and 1996. The increase to 11 per cent. in 1997 reflects grants to Somali and Federal Republic of Yugoslavia nationals. In the first nine months of 1998, the proportion has increased further to 17 per cent. This is partly due to changes made in 1998 so that deserving cases are recognised earlier in the process.The fall in the numbers of asylum applicants granted exceptional leave after 1993 reflects the introduction in July 1993 of the Asylum and Immigration Appeals Act, in which grants of exceptional leave were limited to cases where there were genuine humanitarian factors.

The Home Office is continually reassessing the situation in each country in the context of the 1951 United Nations Convention relating to the Status of Refugees and its associated 1967 protocol.

Young Offenders

Mr. Clappison: To ask the Secretary of State for the Home Department (1) how many 15 and 16 year old youths were held on remand in adult prisons at the most recent date for which information is available; [58354]

(2) which adult prisons were used for the remand of 15 and 16 year old youths on *(a)* 1 May 1997 and *(b)* the latest date for which such information is available. [58353]

Mr. George Howarth: The available information relates to the remand prison population of 15 and 16 year olds on the last day of the month and is given in the table. Young persons held in adult prisons are normally accommodated separately from adults.

Population of 15 and 16 year olds on remand in adult prisons on 30 April 1997 and 30 September 1998, by establishment

Establishment	*30 April 1997*	*30 September 1998*[1]
Altcourse	—	4
Cardiff	9	6
Doncaster	46	27
Exeter	3	2
Gloucester	7	4
Hull	10	7
Low Newton	16	11
Manchester	—	1
Norwich	—	1
Parc	—	1
Swansea	5	3
Woodhill	—	1
Total	96	68

[1] Provisional figures

Mr. Clappison: To ask the Secretary of State for the Home Department what is the timetable of the Youth Justice Board for ending the remand of 15 and 16 year olds to adult prisons. [58355]

Mr. Boateng: The Government's plans for ensuring that appropriate arrangements are in place for remanded juveniles are being taken forward in the context of the wider programme of work arising from our review of all forms of secure accommodation for young offenders and young people held on remand. Our aim is to implement provisions in the Crime and Disorder Act 1998 as soon as possible, and by June 1998 at the latest, to allow the courts to remand directly to local authority secure accommodation 12–14 year olds, 15 and 16 year old girls and, where a place has been identified in advance, vulnerable 15 and 16 year old boys. We will keep under review the existing arrangements for remanding other 15 and 16 year old boys to Prison Service accommodation.

In the meantime, work is being taken forward, with the Youth Justice Board, to improve the standard of care and quality of regimes for remanded and sentenced juveniles held in Prison Service accommodation to ensure that these are appropriate to the needs of young people. We are also making available funds, which will be administered by the Youth Justice Board, to develop local bail support provision to help ensure that custodial remands are used appropriately for the most serious and persistent cases.

Police (World Cup)

Mr. Hinchliffe: To ask the Secretary of State for the Home Department (1) what is the total sum received or to be received by police forces in England and Wales from the Football Association to cover the cost of travel, overseas allowances and overtime in connection with the policing of World Cup matches involving the England team; [58489]

(2) how much in total the Government plan to contribute towards the 24-hour manning of the National Criminal Intelligence Service Football Unit during the World Cup Finals and the costs associated with the provision of football intelligence officers during matches involving the England team. [58490]

Mr. Boateng: The Football Association has met the cost of travel, overseas allowances and overtime for officers from England and Wales. Salary costs have been met by the officers' respective forces. The Football Association also contributed to the cost of relevant police equipment.

The Government agreed to contribute to the costs associated with the 24-hour manning of the National Criminal Intelligence Service during the Finals: and to contribute part of the cost associated with the provision of additional football intelligence officers in France for some England matches. Detailed information about actual costs incurred is operationally sensitive.

Ethnic Minorities

Mr. Cox: To ask the Secretary of State for the Home Department (1) what is the current amount of section 11 funding made available by his Department to the Greater London area; [57909]

(2) if he will make a statement on his Department's future policy towards section 11 funding for the Greater London area. [57763]

Mr. George Howarth: Allocations of Home Office section 11 grant for the 1998–99 financial year to local authorities, grant maintained schools and further education colleges in the Greater London area amount to £34.496 million. Nationally, over 97 per cent. of section 11 grant is currently paid to education projects. It has been decided that, from April 1999, responsibility for such funding should rest with the Department for Education and Employment. A further announcement will be made shortly about the administrative arrangements. The Home Office intends to operate a new grant programme to fund projects in fields other than education. The Department is currently consulting interested parties about the design of this new programme, and a further announcement will be made in due course.

Immigration

Mr. Malins: To ask the Secretary of State for the Home Department how many cases were considered for enforcement under immigration legislation for each year for which figures are known since 1993; and how many deportations were made. [57757]

Mr. George Howarth: The available information, relating to the numbers of cases for which enforcement action was initiated under sections 3(5), 3(6) or 33(1) of the Immigration Act 1971, since 1993; and the number of deportations made, is given in tables 7.2 (Illegal entrants) and 7.4 (Deportation action) of the Home Office Command Paper "Control of Immigration: Statistics United Kingdom 1997" (Cm 4033), for years 1993 and 1994, and in tables 5.1 (Total enforcement action), 5.2 (Illegal entrants) and 5.3 (Deportation action) of the Home Office statistical bulletin "Control of Immigration: Statistics United Kingdom, First Half 1998", issue 24/98, for years 1995–97. Copies of these publications are available in the Library.

Channel Islands

Sir Teddy Taylor: To ask the Secretary of State for the Home Department if he will make a statement on the extent to which European legislation, directives and decisions are enforced upon the Channel Islands and the extent to which the situation has changed since the passing of Protocol 3 to the Treaty of Rome. [57753]

Mr. George Howarth: Protocol 3 to the Treaty of Accession sets out the limited extent to which European Union instruments apply to the Channel Islands and the Isle of Man. The normal practice is for relevant European provisions to be given effect in the Islands through local legislation.

Sir Teddy Taylor: To ask the Secretary of State for the Home Department what recent representations he has received from the EU Commission relating to the Channel Islands. [57755]

Mr. George Howarth: No recent representations have been received from the European Commission relating to the Channel Islands.

St. Helena

Mr. Trend: To ask the Secretary of State for the Home Department how many applications for British nationality have been received from St. Helena citizens in each of the past five years; and over the same period how many such applications have been granted. [58007]

Mr. George Howarth: The number of grants of British citizenship to British Dependent Territories' citizens from St. Helena is given in the table. The number of such applications received is not available.

Year of grant	*Number of grants*
1993	8
1994	11
1995	11
1996	17
1997	32

Criminal Injuries Compensation

Mr. Waterson: To ask the Secretary of State for the Home Department if he will review the procedures surrounding the payment of criminal injuries compensation. [58189]

Mr. Boateng: The procedures surrounding the payment of criminal injuries compensation are regularly reviewed within the Criminal Injuries Compensation Authority (CICA)—the body which administers the tariff-based scheme introduced with effect from 1 April 1996—as part of the normal management process. CICA's objective is to make awards as soon as the extent of injury and any consequential financial loss has been properly established. There are no plans to undertake any special procedural reviews at this time.

Alcohol Consumption (Public Places)

Mr. Waterson: To ask the Secretary of State for the Home Department how local authorities and other agencies could be encouraged, perhaps by changes in the law, to deal more effectively with the problems of street drinking. [58196]

Mr. George Howarth: The Home Office encourages local authorities to adopt, whenever appropriate, a model byelaw which makes it an offence to consume intoxicating liquor in a designated place after being warned by a constable not to do so. We have also implemented the Confiscation of Alcohol (Young Persons) Act 1997, which enables a constable to confiscate alcohol being drunk or intended to be drunk in public by someone who is under-age.

The Anti-Social Behaviour Order and other provisions in the Crime and Disorder Act 1998 will help with specific local problems. Local authorities and the police, with their partners, can include any such problems in the crime and disorder audit which is required under the Act and then go on to develop appropriate strategies for tackling this as part of their overall crime reduction strategy.

Police Manpower

Mr. Letwin: To ask the Secretary of State for the Home Department how many police officers on the beat there were in *(a)* May 1997, *(b)* May 1998 and *(c)* September 1998. [58251]

Mr. Boateng: Information on the deployment of police personnel is collected annually by Her Majesty's Inspectorate of Constabulary. The number of officers on patrol duties in England and Wales is set out in the table:

Date	*Patrol*	*Overall police numbers*
March 1997	62,172	127,158
March 1998	62,203	126,856

EDUCATION AND EMPLOYMENT

Remploy

Mr. Rooney: To ask the Secretary of State for Education and Employment (1) what discussions his Department has held with Remploy on its corporate plan; [58419]

(2) what role there will be for Remploy employees and their representatives in drawing up Remploy's corporate plan; [58420]

(3) what discussions his Department has held with Remploy on factory closures; [58421]

(4) what variations to Remploy's targets for 1997–98 have been made for the years *(a)* 1998–99 and *(b)* 1999–2000; [58422]

(5) what is the forecast subsidy to Remploy in *(a)* 1999–2000, *(b)* 2000–01 and *(c)* 2001–02; [58452]

(6) when he last met the relevant trade unions to discuss the future operations of Remploy. [58453]

Ms Hodge: I understand that Remploy management meet with the Remploy Consortium of Unions at the National Joint Consultative Committee regularly to discuss a range of issues. In particular, Remploy delivered a series of presentations/discussions in July this year to managers and local shop stewards about the strategy set out in the latest Corporate Plan. In addition, national trade union officers received a presentation in May, in advance of the publication of the plan. Remploy intend to adopt a similar approach next time round, and employees have been invited to put forward questions on future strategy and on how they could be more closely involved in planning Remploy's future.

I am expecting Remploy to submit their next Corporate Plan (covering the 3 years 1999–2000 to 2001–02) shortly, for my approval. I will be discussing it with the Remploy Chairman as usual.

Remploy has agreed a broad strategy with Ministers to improve employer opportunities for disabled people both in factories and through Interwork. As part of their strategy Remploy needs to address overcapacity in their factory network through mergers, changes of trade and factory rationalisation. Details of this strategy have been

published in Remploy's Corporate Plan for 1998–99 to 2000–01, and in the Remploy booklet "Planning for our Future", issued to Remploy employees. The operational detail involved in implementing this strategy is a matter for the Remploy Board, as it has to be based on commercial decisions which only Remploy can take.

Remploy's targets for 1999–2000 have not yet been agreed. The following variations were agreed with Remploy for 1998–99 in comparison with 1997–98: average number of disabled people—extra 250; average number of Interworkers—extra 350; progressions—extra 50; operating deficit per disabled worker—decrease of £300 per annum (at cash prices); operating deficit per Interworker—decrease of £100 per annum (at cash prices).

Remploy is currently developing its plans for 1999–2000 and for future years. The subsidy will be subject to those plans and further negotiations with the Department. My predecessor, my hon. Friend the Member for Newport, East (Mr. Howarth), met the Remploy unions on 2 February 1998. I intend to meet the Remploy unions myself in due course.

Careers Service

Mr. Willis: To ask the Secretary of State for Education and Employment what plans he has to require Careers Service contractors to meet an externally verified quality framework if they are to become preferred suppliers under the future contracting arrangements for the Careers Service. [56209]

Mr. Mudie: The Careers Service future contracting is being considered. We are currently considering a number of options and I expect to make an announcement on the future contracting arrangements early in the new year.

Class Sizes

Mr. Maclean: To ask the Secretary of State for Education and Employment what arrangements are in place for monitoring progress towards meeting the Government's targets on class sizes. [57510]

Ms Estelle Morris *[holding answer 2 November 1998]:* In addition to the monitoring information available from the Schools' Census data collected each January, we will also be taking a count of infant pupils and classes in September 1999, September 2000 and September 2001.

Specialist Disability Services

Mr. Field: To ask the Secretary of State for Education and Employment how many of the million people with disabilities cited in Support for Disabled People who state they wish to work will benefit from the investment in specialist disability services announced in this document. [58133]

Ms Hodge *[holding answer 3 November 1998]:* The Government's recent announcement set out action already taking place and proposed changes to help one million disabled people who are not in work but who want to work. This includes the reform of the All Work Test to focus on capacity as well as incapacity; a single gateway interview to provide advice and support into work; and, looking at ways of helping disabled people stay in work through the New Deal for Disabled People.

Our investment of an additional £30m in specialist disability services will be of direct help to some 8,500 disabled people who need extra support to get a job. Since some of this money will be used to test new ways of helping disabled people into work, the actual number helped over time will be greater.

People with a disability or long term illness will also be able to benefit from the New Deal for Disabled People for which £195 million has been set aside for the lifetime of this Parliament. This will pilot a range of initiatives to help disabled people and those with long-term illness into work and training through the Government's Welfare to Work approach.

National Childcare Strategy

Mrs. May: To ask the Secretary of State for Education and Employment (1) what estimate his Department has made of the cost to local education authorities of carrying out the audit of supply of, and demand for, childcare required under the National Childcare Strategy; [57698]

(2) what money has been made available to local education authorities to carry out audits of the supply of, and demand for, childcare, as required under the National Childcare Strategy. [57700]

Ms Hodge: I refer the hon. Member to the answer given to her by my hon. Friend the Member for Newport, East (Mr. Howarth) on 16 July 1998, *Official Report*, column *301*. I can confirm that £12 million has now been made available to help local partnerships conduct audits and draw up local childcare plans.

"Partners in Europe"

Mr. Laurence Robertson: To ask the Secretary of State for Education and Employment how many *(a)* solicited and *(b)* unsolicited copies of the schools pack "Partners in Europe" were distributed; and how many remain in stock. [58030]

Mr. Mudie: The information and resource pack for schools "Partners in Europe" was distributed in January 1998 to all schools in the UK on the following basis: two to each school in England, one to each school in Scotland, two to each school in Wales and two to each school in Northern Ireland. Each country was responsible for its own distribution. Copies were also sent to LEAs in England, Scotland and Wales, Education and Libraries Boards in Northern Ireland and organisations such as the Central Bureau for Educational Visits and Exchanges, the Qualifications and Curriculum Authority and OFSTED. Since the initial distribution, there have been 614 requests in England for additional copies. 432 resource packages are currently in stock, but this figure includes the resource pack that was distributed to youth groups in the UK.

Mr. Laurence Robertson: To ask the Secretary of State for Education and Employment what were the *(a)* printing, *(b)* preparation and *(c)* distribution costs of the schools pack "Partners in Europe". [58029]

Mr. Mudie: The costs of producing the 66,000 copies of the schools pack "Partners in Europe" were shared between the four UK education departments and the Foreign and Commonwealth Office. The costs were as

follows: *(a)* printing of specially commissioned booklets and wallets, £129,140; *(b)* other preparation costs, £66,197, and *(c)* initial distribution costs, £113,947.

LORD CHANCELLOR'S DEPARTMENT

Judiciary (Training)

Mrs. May: To ask the Minister of State, Lord Chancellor's Department if the training for the judiciary on the implications of the Human Rights Bill [*Lords*] will include training relating to *(a)* equality and *(b)* disability issues. [57697]

Mr. Hoon: Judicial training is the responsibility of the Judicial Studies Board (JSB) which is an advisory non-departmental public body. The Equal Treatment Advisory Committee of the Board considers all aspects of equal treatment training for the judiciary, including training on increasing awareness of the needs of people with disabilities.

The JSB is currently drawing up the programme of training for full and part-time members of the judiciary in the months prior to implementation of the Human Rights Bill. This will include training on those parts of the European Convention on Human Rights that relate to equality and disability issues.

Property Repossessions

Mr. Kidney: To ask the Minister of State, Lord Chancellor's Department if he will list the numbers of possession actions *(a)* commenced and *(b)* concluded by the making of a possession order for (i) mortgagee actions and (ii) landlord actions in England for the last three years. [57487]

Mr. Hoon: The information is as follows:

1995	*Mortgage possessions*	*Landlord possessions*
actions started	84,170	104,408
suspended orders	44,723	58,652
final orders	30,535	26,487
1996		
actions started	79,791	111,804
suspended orders	43,434	63,030
final orders	27,777	24,842
1997		
actions started	67,073	130,163
suspended orders	34,632	73,164
final orders	22,524	26,612

Civil Servants (Ethnic Minorities)

Mr. Vaz: To ask the Minister of State, Lord Chancellor's Department (1) if he will provide a breakdown, in numerical and percentage terms, of the ethnic origin of civil servants in his private office, as at 1 October 1997; [56795]

(2) if he will provide a breakdown, in numerical and percentage terms, of the ethnic origin of civil servants in his Department, by grade, as at 1 October 1997. [56793]

Mr. Hoon: I refer my hon. Friend to the answers given him today by my right hon. Friend the Minister for the Cabinet Office, *Official Report*, columns *666-71*.

AGRICULTURE, FISHERIES AND FOOD

Fishing (Controls)

Mr. Todd: To ask the Minister of Agriculture, Fisheries and Food what plans he has to introduce new controls over landings into the United Kingdom following the publication of consultative proposals issued on 3 March; and if he will make a statement. [58952]

Mr. Morley: From 5 January 1999 it will be a condition of UK fishing vessel licences that at least four hours notice must be given of all landings of whitefish and shellfish by vessels of 20m overall length and above. Landings (discharge of catches) must then be completed within four hours unless otherwise authorised. These requirements will not, however, apply where landings are made into designated ports during specified hours provided the master or his representative submits a copy of a completed logsheet prior to the discharge of catch taking place. The designated ports will be those set out in the consultation paper issued last March although for a number of ports the specified hours of landing have been changed in response to representations received. Prior notification is already required for the landing of the main pelagic species and this will continue to operate.

These arrangements will be kept under review and, if circumstances alter, changes in the arrangements will be considered.

The new arrangements will be consistent with tougher Community controls on landings currently being finalised and expected to operate from 1 January 1999. These will enable Member States to apply national designated port controls to vessels from other Member States and third countries landing into their territory. A more rigorous control requirement for 4 hours' notice of arrival in port is also expected to apply to vessels landing abroad unless specific designated port arrangements operate.

The Fisheries Departments will be writing to vessels owners and other interests later this month advising them about the detailed arrangements including those for providing prior notification of landing.

Fishing (Grant Applications)

Ms Southworth: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the charges levied by the Sea Fish Industry Authority when processing applications for grant aid. [58951]

Mr. Morley: The Government intend when the legislative programme allows, to introduce legislation to provide retrospective statutory authority for technical charges levied by the Sea Fish Industry Authority (SFIA) when processing applications for grant aid under the Fisheries Act 1981. This will regularise the position following advice which has cast doubt on the SFIA's view that their powers to charge contained in the Act covered the technical charges which were levied up until 1995.

I believe that the charges levied were reasonable ones and that the costs of making repayments would be disproportionate to any benefit such repayment would confer on those to whom it was made. The Ministry does not therefore propose to meet any claims that are brought before the proposed legislation is in place.

Genetically Modified Organisms

Mr. Steen: To ask the Minister of Agriculture, Fisheries and Food what steps he proposes to take to harmonise the current trial procedures of genetically modified crops in the United Kingdom with those carried out in Europe. [56046]

Mr. Rooker *[holding answer 3 November 1998]:* Controls over the release and marketing of genetically modified organisms (GMOs) are harmonised across the EU by Directive 90/220/EEC. The information requirements to evaluate the safety of GMO releases are set out in this Directive. However, each consent application is reviewed on a case by case basis and trials procedures may vary according to the characteristics of the GMO and the receiving environment.

Furthermore, no genetically modified plant variety may enter tests and trials for National List purposes unless and until a release consent has been issued under the Environmental Protection Act 1990 and the regulations made under it. The UK's National List system implements EU Directives 70/457/EEC and 70/458/EEC which harmonises the requirement to establish that varieties are distinct, uniform and stable (DUS) and, for the main agricultural species, that they have a value for cultivation and use (VCU) before being entered on a National List. The National List system has no role in considering the environmental or human safety aspects of genetic modification.

Mr. Steen: To ask the Minister of Agriculture, Fisheries and Food what plans he has extend the period of tests required for genetically modified seeds; and if he will make a statement. [56047]

Mr. Rooker *[holding answer 3 November 1998]:* I have no plans to extend the period of tests required for National List purposes.

National List tests and trials are aimed solely at establishing whether candidate varieties are distinct, uniform and stable (DUS) and have value for cultivation and use (VCU) in the UK. The National List system has no role in addressing the environmental or human safety aspects of genetically modification. Genetically modified plant varieties may not enter National List tests and trials unless and until they have the appropriate release consent under the Environmental Protection Act 1990 and the regulations made under it. For most varieties, National List tests and trials normally last two years, though this period may be extended if necessary to provide the required information to establish DUS and VCU.

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food what plans he has to consult the public on the Supply Chain Initiative for Modification in Agricultural Crops code of practice before it is agreed between Government and industry. [57712]

Mr. Rooker *[holding answer 3 November 1998]:* The Supply Chain Initiative on Modified Agricultural Crops (SCIMAC) is an industry grouping, which has drawn up guidelines to promote best practice in the growing of genetically modified crops. The Government have welcomed these guidelines as a complement to the statutory controls, but will not give them endorsement until they are satisfied that the industry has implemented measures to secure compliance. It is for the industry to decide what consultations to carry out, and we have impressed upon them the importance of an open and transparent approach.

BSE

Dr. Cable: To ask the Minister of Agriculture, Fisheries and Food what estimate he has made of costs incurred to date by Government and other public sector agencies as a result of releasing witnesses for the BSE inquiry. [57084]

Mr. Rooker: No such estimate has been made. The Inquiry has taken evidence from some 60 witnesses who are current members of MAFF and its agencies.

Mr. Levitt: To ask the Minister of Agriculture, Fisheries and Food if the inquiry into BSE is considering the possible role of organophosphates in causing this disease. [57301]

Mr. Rooker: The Inquiry are considering all theories put to them including that relating to the possible role of organophosphates.

Mr. Levitt: To ask the Minister of Agriculture, Fisheries and Food when he expects the current inquiry into BSE to publish its report. [57294]

Mr. Rooker: The Inquiry is due to report to the Minister of Agriculture, Fisheries and Food, the Secretary of State for Health and the Secretaries of State for Scotland, Wales and Northern Ireland by 30 June 1999. The Inquiry's report will be published by Government in due course thereafter.

Mr. Dalyell: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on his Department's responsibility for BSE compensation. [57340]

Mr. Rooker *[holding answer 3 November 1998]:* Animals suspected of being affected by or exposed to BSE are slaughtered under Section 32 of the Animal Health Act 1981. Under Section 32(3), compensation is payable in respect of the animals slaughtered.

The compensation payable for animals affected by BSE is the market value up to a ceiling of 100% of the indicative market price. The compensation payable for animals suspected of being affected by BSE, but in which the disease is not subsequently confirmed, is the market value of the animal up to a ceiling of 125% of the indicative market price. The indicative market price for the month of November 1998 is £467.

Farmers may also be eligible for payments in relation to exposed animals slaughtered under the Selective Cull, and for offspring animals under the Offspring Cull.

Meat Inspection Charges

Mr. Gill: To ask the Minister of Agriculture, Fisheries and Food what representations he has received from the abattoir industry urging meat inspection charges on a headage only basis. [57727]

Mr. Rooker: The Department has received a number of representations calling for the Meat Hygiene Service (MHS) to calculate its charges for hygiene/welfare inspections on a per head basis. The decision for the MHS to calculate its charges on a per-hour basis was taken after full consultation with industry.

Meat Hygiene Service

Mr. Gill: To ask the Minister of Agriculture, Fisheries and Food if working knowledge of the English language is a condition of employment for foreign veterinarians engaged by the Meat Hygiene Service. [57726]

Mr. Rooker: Foreign veterinarians engaged by the Meat Hygiene Service are required to have a working knowledge of the English language. The MHS has introduced an assessment, as part of the Official Veterinary Surgeon training course, for non-United Kingdom nationals, to assess their ability to understand and communicate in English.

Rabies

Mr. Forth: To ask the Minister of Agriculture, Fisheries and Food what was the incidence of rabies in each EU and EEA country in each of the last five years. [57453]

Mr. Rooker: The incidence of rabies in domestic and wild animals in each EU and EEA Country in each of the last five years was as follows:

Country	*1993*	*1994*	*1995*	*1996*	*1997*
Austria	675	254	95	14	8
Belgium	2	61	213	44	9
Denmark	1	[1]3	1	0	8
Finland	0	0	0	0	0
France	261	99	[2]40	17	2
Germany	845	1,378	856	152	86
Greece	0	0	0	0	0
Iceland	0	0	0	0	0
Ireland	0	0	0	0	0
Italy	82	36	11	0	0
Luxembourg	1	1	15	[1]7	2
Netherlands	10	1	[3]4	5	13
Norway	0	0	0	0	0
Portugal	0	0	0	0	0
Spain	[4]5	3	[4]6	[4]1	[4]5
Switzerland and Liechtenstein	175	225	23	6	[5]1
Sweden	0	0	0	0	0
UK	0	0	0	[6]1	0

[1] Two of these cases were imported from USA.

[2] One of these cases was a dog imported from Burkina Faso.

[3] One of these cases was a grey fox imported into Netherlands.

[4] Cases in Spanish territory of North Africa.

[5] One of these cases was a dog imported from Morocco.

[6] This was a case of European Bat Lyssavirus 2 in a bat discovered in Newhaven. The bat was believed to have blown across the Channel.

Source:

The Rabies Bulletin Europe, compiled and edited by the World Health Organisation (WHO) Collaborating Centre for Rabies Surveillance and Research, Federal Republic of Germany.

Veterinary Service Charges

Mr. Gill: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the impact of additional official veterinary service charges upon the viability of United Kingdom abattoirs. [57723]

Mr. Rooker: The impact on GB abattoirs will depend upon the circumstances prevailing at individual premises. These include the current level of veterinary supervision, the size and throughput of the premises, the complexity and standard of hygiene of operations and the type of animal being slaughtered. The MHS will notify plant operators of the intended arrangements and the charging implications for their plant in advance of any changes being made.

Farm Income (Currency Mechanisms)

Mr. Mitchell: To ask the Minister of Agriculture, Fisheries and Food in which of his Department's publications the basis and operation of the ecu basket of currencies and national green currencies used for calculating price support for agricultural products is described; and what assessment he has made of the extent to which these mechanisms influence the net farm income available to farmers in the United Kingdom *(a)* currently and *(b)* following the introduction of the euro. [57484]

Mr. Rooker: The precise basis and operation of the current agrimonetary regime is not outlined in any of my Department's publications.

The agrimonetary regime has sheltered farm incomes from the full effect of the strong pound by slowing down the rate at which currency strength feeds through to the sterling value of CAP prices and direct payments. UK farm incomes are also benefiting from the current green rate freeze, which has been worth £400m to UK farmers over the last two years.

The Commission's draft regulations, which are still under discussion, propose a move to daily market rates, but also include measures for 100% EU financed compensation for any cuts in direct payments in 1999. This would cushion the impact of the end of the green rate freeze on UK farm incomes, and has been welcomed by UK farming organisations.

Beef of the Bone

Mr. Maclean: To ask the Minister of Agriculture, Fisheries and Food what is *(a)* the overall cost to date and *(b)* the average annual cost per farm of deboning beef products as a result of the ban on sales of beef on the bone. [57503]

Mr. Rooker *[holding answer 2 November 1998]:* Under the Beef Bones Regulations 1997, deboning may take place in the course of a business at any food premises, including farm shops selling meat, before sale to the ultimate consumer. The estimated costs of these controls were set out in the Regulatory Appraisal which

accompanied the Regulations when they were presented to Parliament. A copy is available in the Library of the House. No costs were included or are available for deboning beef on farms as these, with the exception of farm shops, are not food premises as defined in the Food Safety Act 1990 where beef can be deboned.

Piglet Mortality

Mr. Michael J. Foster: To ask the Minister of Agriculture, Fisheries and Food what estimate he has made of the number of piglets lost annually to predation, and of the economic loss which this represents. [57924]

Mr. Rooker: None. The information necessary to make such estimates is not available centrally.

Agricultural Prices

Mr. Waterson: To ask the Minister of Agriculture, Fisheries and Food what additional resources will be allocated to assist farming communities with the fall in produce prices. [58190]

Mr. Rooker: The Government fully appreciate the difficulties currently being faced by all sectors of the farming industry. We are well aware, as a result of discussions with farmers' leaders and visits to rural areas, that many farmers would welcome additional assistance to cope with their current difficulties.

However, given the tight position on public expenditure we must give very careful consideration before extending any package of assistance to farmers. We are keenly aware of the case being put by the farming unions and other interested organisations, and are now considering the options available to us.

Bovine Tuberculosis

Mr. Webb: To ask the Minister of Agriculture, Fisheries and Food what estimate he has made of the percentage of the loss to farmers whose cattle are affected by bovine TB which is covered by the Ministry's compensation scheme; and if he will provide a breakdown of his estimate of the total losses incurred. [58075]

Mr. Rooker: The National Farmers Union estimates the total cost to farmers of tuberculosis in cattle in Great Britain to average £5,300 per animal slaughtered, including consequential losses, although the cost to individual farm businesses varies widely.

During 1997 compensation was paid at 75% of market value of cattle slaughtered as TB reactors, subject to a limit (calculated from the average market price for dairy cattle) which averaged £656 across the year. This represents 12% of £5,300. Since 26 August 1998 compensation has been paid equal to the full market value of slaughtered cattle. To the end of October payments made averaged £970, 18% of £5,300.

Cattle Blood

Mr. Letwin: To ask the Minister of Agriculture, Fisheries and Food if he will list the regulations which apply to the transport of blood of cattle over 30 months, following their slaughter. [58246]

Mr. Rooker *[holding answer 3 November 1998]:* Carriers of waste blood from OTMS animals must register with the Environment Agency or the Scottish Environment Protection Agency under the Controlled Waste (Registration of Carriers and Seizure of Vehicles) Regulations 1991. The only exception relates to the transport of blood from diseased animals, which may be transported by persons who hold an approval or registration under the Animal By-Products Order 1992, and who transport the blood in connection with the activity to which the approval or registration applies. In such cases the Order requires the blood to be collected and transported in suitable containers or vehicles in such a way as to prevent leakage.

Agricultural Wages Order

Mr. Maclean: To ask the Minister of Agriculture, Fisheries and Food what is the estimated compliance cost of the most recent agricultural wages order. [58454]

Mr. Rooker: Agricultural wages orders are made by the Agricultural Wages Board which is an independent statutory body. The Board's most recent order, the Agricultural Wages Order 1998 (No. 2) came into effect on 1 October 1998. This order introduced a number of changes to bring the terms of the order into line with the provisions of the Working Time Regulations 1998, which also came into effect on 1 October. The most significant changes introduced were the extension of leave entitlements to casual workers who have been employed by the same employer for 13 weeks, and an entitlement to an unpaid 30 minute rest break.

Information on the compliance costs associated with the implementation of the Working Time Regulations is given in Annexe E to the consultation paper "Measures to Implement Provisions of the EC Directives on the Organisation of Working Time and the Protection of Young People at Work" (URN: 98/645). This was issued by the Department of Trade and Industry in April 1998.

CABINET OFFICE

Civil Servants (Ethnic Minorities)

Mr. Vaz: To ask the Minister for the Cabinet Office if he will provide a breakdown, in numerical and percentage terms, of the ethnic origin of civil servants in his Department, by grade, as at 1 October 1997. [56820]

Dr. Jack Cunningham: The information for all Government Departments is as follows:

Information on the ethnic origin of civil servants is collected using a voluntary, confidential questionnaire. The number and percentage of civil servants from ethnic minorities who have submitted a questionnaire, by grade equivalents, for each Department, are set out in the tables. Civil Service employment statistics are centrally collected and updated annually, as at 1 April. Data for 1998 are still being collated, therefore the figures quoted in this answer are as at 1 April 1997.

Number of ethnic minority staff in post by department and responsibility level at 1 April 1997[1]

Departments	*SCS*	*Grade 6*	*Grade 7*	*SEO*	*HEO*	*EO*	*AO*	*AA*	*Total*
Advisory, Conciliation and Arbitration Service	[3]—	[3]—	[3]—	[5]—	6	[5]—	22	8	41
Agriculture, Fisheries and Food, Ministry of [2]	[3]—	[5]—	13	9	25	43	136	147	380
Cabinet Office	[3]—	[3]—	[5]—	[3]—	[5]—	20	43	15	81
Charity Commission	[3]—	[3]—	[5]—	[3]—	[5]—	15	31	21	71
Crown Prosecution Service[2]	[3]—	[5]—	15	100	14	86	139	75	430
Culture, Media and Sport, Department for[2]	[3]—	[3]—	[3]—	[5]—	[3]—	5	14	15	40
Customs and Excise	[5]—	[5]—	9	13	113	426	506	247	1,318
Defence, Ministry of	10	9	50	109	164	238	385	369	1,334
Education and Employment, Department for	[3]—	[3]—	10	10	51	641	1,590	154	2,456
Office for Standards in Education (OFSTED)	[3]—	[5]—	[5]—	[3]—	[5]—	7	22	[5]—	52
Environment, Transport and the Regions, Department of the	[3]—	7	24	47	56	163	363	139	805
Health and Safety Commission/Executive[2]	[3]—	[5]—	6	28	17	26	65	57	200
Export Credits Guarantee Department	[3]—	[5]—	[5]—	[5]—	10	14	22	12	65
FCO: Diplomatic Service	[3]—	[5]—	[5]—	[5]—	19	35	100	27	189
Friendly Societies, Registry of	[5]—	[5]—	[3]—	[5]—	[5]—	5	13	8	32
Government Actuary	[3]—	[3]—	[3]—	[3]—	[3]—	[5]—	[5]—	[3]—	[5]—
Health, Department of [2]	12	[5]—	30	66	5	124	289	6	530
HM Prison Service	14	42	8	8	38	119	646	220	1,095
Home Office	[5]—	[5]—	5	15	42	319	549	347	1,280
Information, Central Office of	[3]—	[3]—	[3]—	[5]—	5	7	11	[5]—	26
Inland Revenue	5	10	30	39	180	561	1,286	1,262	3,373
International Development, Department for	[5]—	[5]—	[5]—	[3]—	[5]—	13	43	14	76
Intervention Board	[3]—	[3]—	[3]—	[3]—	[3]—	8	43	14	65
Land Registry	[5]—	[5]—	[3]—	8	8	56	210	106	391
Legal Secretariat	[3]—	[3]—	[3]—	[3]—	[3]—	[5]—	[5]—	[3]—	[5]—
Lord Chancellor's Department	[3]—	[3]—	[5]—	[5]—	26	194	555	171	955
National Investment and Loans Office	[3]—	[3]—	[3]—	[3]—	[3]—	[5]—	[5]—	[3]—	5
National Savings, Department for	[3]—	[3]—	[5]—	[3]—	[5]—	[5]—	17	8	31
National Statistics, Office for	[3]—	[3]—	6	5	17	45	81	16	170
Northern Ireland Office	[3]—	[3]—	[5]—	[3]—	[3]—	6	[5]—	11	21
Office of Electricity Regulation	[3]—	[3]—	[3]—	[3]—	[3]—	6	9	6	21
Office of Fair Trading	[5]—	[3]—	[3]—	[3]—	[5]—	14	27	15	58
Office of Gas Supply	[3]—	[3]—	[3]—	[3]—	[3]—	6	[5]—	[5]—	11
Office of Passenger Rail Franchising	[3]—	[3]—	[5]—	[3]—	[5]—	[5]—	6	[3]—	12
Office of the National Lottery	[3]—	[3]—	[3]—	[3]—	[5]—	[3]—	[5]—	[5]—	[5]—
Office of the Rail Regulator	[3]—	[3]—	[3]—	[3]—	[3]—	[5]—	5	[5]—	8
Ordnance Survey	[3]—	[3]—	[3]—	[5]—	[5]—	13	7	[5]—	25
Privy Council Office	[3]—	[3]—	[3]—	[3]—	[3]—	[5]—	[5]—	[3]—	[5]—
Public Record Office[2]	[3]—	[3]—	[3]—	[3]—	[3]—	5	6	[5]—	20
Royal Mint	[3]—	[3]—	[5]—	[5]—	[5]—	[3]—	[3]—	[5]—	[5]—
Scottish Office	[5]—	[5]—	[5]—	[5]—	[5]—	[5]—	[5]—	7	20
Other Scottish departments	[3]—	[3]—	[3]—	[3]—	[3]—	[5]—	[5]—	5	13
Security and Intelligence Services	[3]—	[3]—	[3]—	[5]—	[5]—	[5]—	5	[3]—	13
Serious Fraud Office	[5]—	[3]—	[3]—	[5]—	[5]—	9	8	[5]—	28
Social Security, Department of [2]	[3]—	20	[5]—	8	63	914	3,216	1,056	5,280
Trade and Industry, Department of [2]	[3]—	[5]—	19	42	96	187	405	205	960
Treasury	[5]—	[3]—	5	8	[3]—	12	56	18	100
Treasury Solicitor	[5]—	[5]—	6	[5]—	[5]—	12	21	[5]—	50
Welsh Office (including OHMCIS)	[3]—	[3]—	[3]—	[5]—	[5]—	[5]—	5	[5]—	13
Total	51	120	259	542	993	4,381	10,977	4,802	22,148

Percentage of ethnic minority staff in post by department and responsibility level at 1 April 1997[1]

Departments	*SCS*	*Grade 6*	*Grade 7*	*SEO*	*HEO*	*EO*	*AO*	*AA*	*Total*
Advisory, Conciliation and Arbitration Service	[3]—	[3]—	[3]—	0.9	2.8	7.7	16.7	32.0	7.3
Agriculture, Fisheries and Food, Ministry of	[3]—	1.6	1.9	1.5	2.3	3.0	6.9	9.5	4.9
Cabinet Office (including OPS)	[3]—	[3]—	0.9	[3]—	1.7	10.2	18.6	12.8	9.1
Charity Commission	[3]—	[4]—	3.8	[3]—	4.2	8.8	24.8	28.0	14.0
Crown Prosecution Service	[3]—	2.0	3.2	8.5	4.2	7.2	11.7	11.2	8.3
Culture, Media and Sport, Department for	[3]—	[3]—	[3]—	3.6	[3]—	6.7	6.6	19.7	6.9
Customs and Excise	1.4	3.7	2.7	1.0	2.5	6.1	10.0	9.7	6.3
Defence, Ministry of	2.8	1.2	1.7	1.8	1.4	1.6	2.0	3.1	2.0
Education and Employment, Department for	[3]—	[3]—	1.9	1.5	2.7	8.2	14.0	14.7	10.5
Office for Standards in Education (OFSTED)	[3]—	2.2	16.7	[3]—	13.6	15.6	40.0	40.0	11.4
Environment, Transport and the Regions, Department of the	[3]—	2.3	2.8	5.8	3.6	4.4	10.0	8.0	6.2
Health and Safety Commission/Executive	[3]—	1.7	1.1	2.7	3.9	6.8	8.5	11.5	5.2
Export Credits Guarantee Department	[3]—	20.0	8.5	6.7	12.2	17.3	35.5	46.2	18.5
FCO: Diplomatic Service	[3]—	1.3	0.6	1.3	2.1	2.9	9.4	15.7	4.1
Friendly Societies, Registry of	16.7	50.0	[3]—	18.2	13.3	23.8	52.0	50.0	30.2
Government Actuary	[3]—	[4]—	[3]—	[3]—	[3]—	100.0	50.0	[3]—	8.0

Percentage of ethnic minority staff in post by department and responsibility level at 1 April 1997[1]

Departments	*SCS*	*Grade 6*	*Grade 7*	*SEO*	*HEO*	*EO*	*AO*	*AA*	*Total*
Health, Department of	4.3	11.1	5.2	8.2	6.4	17.8	26.9	54.5	15.1
HM Prison Service	20.3	24.3	1.7	1.1	3.6	3.0	2.5	3.9	2.9
Home Office	1.0	2.2	1.2	2.7	3.0	9.7	22.5	18.8	12.6
Information, Central Office of	[3]—	[3]—	[3]—	2.5	7.0	21.9	22.0	5.0	9.0
Inland Revenue	2.1	1.1	1.4	1.8	3.1	4.5	6.8	9.1	6.0
International Development, Department for	3.4	3.8	1.7	[3]—	2.8	7.0	14.1	15.2	9.1
Intervention Board	[3]—	[3]—	[3]—	[3]—	[3]—	4.3	11.7	19.2	8.3
Land Registry	4.0	1.5	[3]—	2.8	1.5	2.5	6.6	6.8	4.9
Legal Secretariat	[3]—	[3]—	[3]—	[4]—	[4]—	[3]—	33.3	[3]—	5.6
Lord Chancellor's Department	[3]—	[3]—	2.1	1.1	2.7	9.3	11.8	8.3	9.1
National Investment and Loans Office	[3]—	[4]—	[3]—	[3]—	[4]—	20.0	33.3	[4]—	17.9
National Savings, Department for	[3]—	[3]—	2.6	[3]—	0.3	0.7	0.8	0.6	0.7
National Statistics, Office for	[3]—	[3]—	3.8	3.1	3.8	6.4	7.9	3.8	5.7
Northern Ireland Office	[3]—	[3]—	12.5	[3]—	[3]—	31.6	14.3	34.4	20.8
Office of Electricity Regulation	[3]—	[3]—	[3]—	[3]—	[3]—	15.4	18.4	26.1	10.3
Office of Fair Trading	20.0	[3]—	[3]—	[3]—	2.3	22.2	49.1	57.7	26.2
Office of Gas Supply	[3]—	[3]—	[3]—	[3]—	[3]—	19.4	20.0	50.0	12.1
Office of Passenger Rail Franchising	[3]—	[3]—	3.1	[3]—	16.7	30.0	35.3	[3]—	11.3
Office of the National Lottery	[4]—	[4]—	[4]—	[4]—	100.0	[4]—	100.0	100.0	100.0
Office of the Rail Regulator	[3]—	[3]—	[3]—	[4]—	[3]—	11.1	17.9	100.0	7.5
Ordnance Survey	[3]—	[3]—	[3]—	1.5	1.1	1.4	2.7	4.2	1.5
Privy Council Office	[3]—	[4]—	[3]—	[3]—	[3]—	10.0	11.0	[3]—	14.3
Public Record Office	[3]—	[3]—	[3]—	[3]—	[3]—	19.2	35.3	25.0	15.0
Royal Mint	[3]—	[3]—	14.3	6.7	0.9	[3]—	[3]—	3.3	1.1
Scottish Office	0.7	1.4	0.3	0.3	0.4	0.1	0.4	0.8	0.4
Other Scottish departments	[3]—	[3]—	[3]—	[3]—	[3]—	[3]—	0.5	0.5	0.0
Security and Intelligence Services	[3]—	[3]—	[3]—	0.2	0.4	0.1	0.6	[3]—	0.3
Serious Fraud Office	14.3	[3]—	[3]—	6.3	17.4	29.0	27.6	33.3	16.9
Social Security, Dept of	[3]—	9.3	0.7	0.9	1.8	4.3	7.5	8.3	6.4
Trade and Industry, Department of	[3]—	3.1	2.4	7.3	6.6	11.9	18.5	16.9	11.8
Treasury	1.5	[3]—	4.0	4.8	[4]—	11.9	25.2	32.7	13.4
Treasury Solicitor	2.8	3.4	11.5	13.3	10.7	21.1	32.3	13.6	15.0
Welsh Office (including OHMCIS)	[3]—	[3]—	[3]—	3.7	0.5	0.8	1.2	0.6	0.9
Total	1.6	2.9	1.9	2.8	2.6	4.8	7.2	7.6	5.7

[1] Number of non industrial staff who responded to departmental surveys on ethnic origin
[2] Rounded to nearest 10 to preserve confidentiality
[3] Zero per cent.
[4] No staff reported at this grade
[5] Less than five staff
Note:
Departmental totals include a few staff whose grades are not known
Source:
Mandate and Departmental Returns

Mr. Vaz: To ask the Minister for the Cabinet Office if he will provide a breakdown, in numerical and percentage terms, of the ethnic origin of civil servants in his private office, as at 1 October 1997. [56822]

Dr. Jack Cunningham: The information for all Government Departments is as follows:

Information on the ethnic origin of civil servants is collected using a voluntary, confidential questionnaire. The number and percentage of ethnic minority staff in Ministers' private offices are set out in the table. Civil Service employment statistics are collected and updated annually, as at 1 April. Data for 1998 are still being collated, therefore the figures quoted in this answer are as at 1 April 1997.

To protect the privacy of individual staff, data relating to fewer than five people are not disclosed in Civil Service equal opportunities monitoring.

Ethnic origin of Private Office staff at 1 April 1997[1]

Department	*Ethnic minority*	*Ethnic minority (%)*
Agriculture, Fisheries and Food, Ministry of	5	20
Cabinet Office	5	26.3
Culture, Media and Sport, Department for	*	n/a
Defence, Ministry of	*	n/a
Education and Employment, Department for	8	15.1
Environment Transport and the Regions, Department of the	9	15.8
FCO	*	n/a
Health, Department of	*	n/a
Home Office	8	12.7
Department for International Development	*	n/a
Lord Chancellor's Department	*	n/a
Northern Ireland Office	*	n/a
Privy Council Office	0	0
Scottish Office	*	n/a
Social Security	11	28.2
Trade and Industry, Department of	15	23.4
Treasury	*	n/a

[1] Based on headcount of staff who responded to survey on ethnic origin
* Less than five
Source:
Departmental Returns

Mr. Vaz: To ask the Minister for the Cabinet Office if he will provide a breakdown in numerical and percentage terms, of the ethnic origin, as at 1 October 1997, of civil servants at each grade. [56843]

Dr. Jack Cunningham: Information on the ethnic origin of civil servants is collected using a voluntary, confidential questionnaire. The number and percentage of civil servants from ethnic minorities who have submitted a questionnaire, by grade equivalents, is set out in the table. Civil Service employment statistics are centrally collected and updated annually, as at 1 April. Data for 1998 are still being checked, therefore the figures quoted in this answer are as at 1 April 1997.

Total ethnic minority staff in post by responsibility level at 1 April 1997[1]

Responsibility Level	*Ethnic minority staff number*	*Ethnic minority staff percentage*
SCS	51	1.6
Grade 6	120	2.9
Grade 7	259	1.9
SEO	542	2.8
HEO	993	2.6
EO	4,381	4.8
AO	10,977	7.2
AA	4,802	7.6
Total	22,148	5.7

[1] Non industrial staff who responded to departmental surveys on ethnic origin.
Source:
Mandate and Departmental Returns

Public Appointments

Mr. Vaz: To ask the Minister for the Cabinet Office if he will publish the names of those people he has appointed to public bodies since 1 May 1997, indicating the positions to which they have been appointed and whether they receive remuneration. [56821]

Dr. Jack Cunningham: The public bodies for which I am responsible, as Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster, are: The Civil Service Appeal Board; the Better Regulation Task Force; The Advisory Committee on Advertising and The Advisory Committee for Justice of the Peace in Lancashire, Greater Manchester and Merseyside. The following appointments or reappointments have been made since the 1 May 1997:

The Better Regulation Task Force

Chairperson
Christopher Haskins
Deputy Chairperson
Teresa Graham
Members
Stephen Alambritis
Sarah Anderson
Allan Charlesworth
Hugh Field
Ram Gidoomal
Sir Simon Gourlay
Pamela Meadows
Robert Purry
Chai Patel
Janet Russell
Peter Salsbury
Helena Shovelton
Sue Slipman
Ed Sweeney

Civil Service Appeal Board

Chairperson
Miss M. P. Downs, OBE
Deputy Chairperson
N. F. Ledsome, CB
Member, Official Side Panel
M. E. G. Fogden, CB
E. McGivern, CB
Ms S. Brown
S. R. Davie, CB
T. W. Hall
R. M. Hastie-Smith, CB
P. Jefferson-Smith, CB
N. E. A. Moore
Miss E. A. Rees
Member, Trade Union Side Panel
Ms L. J. Clare
F. Thompson
W. J. Edmunds, BEM
T. R. Graves, MBE
Ms D. Hall Hall
A. F. Stem

The Advisory Committee on Justices of the Peace in Lancashire, Greater Manchester and Merseyside

Members
R. Matthews, JP
Mrs. B. G. Jones
C. J. Starkey
J. Alexander, JP
D. Bentham, JP
Mrs. M. S. Dutton, JP
Mrs. J. Brittain, JP
Mrs. B. Kilfoyle, JP
H. M. Winik, JP
Mrs. M. A. Bishop, JP
Mrs. C. Nancollas, JP
Mrs. J. Hurlston
Mrs. A. Saltsman, JP
Mrs. S. Marston, JP
Mrs. L. Worsley, JP
Ms A. H. Martin
W. A. Fletcher, JP
E. McCulley, JP
J. G. Poyner, OBE
Miss E. J. Partington, JP
Mrs. C. Beesley, JP
Mrs. M. A. McCaldin, JP
Mrs. B. Duxbury, JP
A. J. Sudworth
E. G. Hubert
Mrs. C. Grannell, JP
Mrs. P. M. Snowden, JP
Reverend G. Rainford

G. Knowles, JP

Mrs. M. Fishwick, JP

M. Flacks, JP

R. P. Shepherd, JP

D. R. Jones

Mrs. D. M. Hilton, JP

D. Wainwright, JP

B. T. Spencer

E. A. Hazeldine

I. M. Chapman, JP

Mrs. J. L. Berry, JP

M. V. Evans

Mrs. S. E. Mashiane-Talbot, JP

Mrs. D. E. Morton, JP

B. Corbin.

There have been no appointments or re-appointments to the Advisory Committee on Advertising since 1 May 1997. However, Mr. Derek Dear, an existing member of the Committee, was appointed as Chairperson on 4 March 1998 on the retirement of the previous incumbent.

No members of any Cabinet Office Public Body receive a salary. Members of the Civil Service Appeal Board receive a fee per daily attendance.

Government Cars

Sir Brian Mawhinney: To ask the Minister for the Cabinet Office how many Government cars have been (i) stolen, (ii) hijacked and (iii) otherwise illegally lost to immediate use, broken down by *(a)* ministers' cars and *(b)* others since 1 May 1997. [57752]

Mr. Kilfoyle: Responsibility for this matter have been delegated under the terms of its Framework Document to the Government Car and Despatch Agency. I have asked its Chief Executive, Mr. Nick Matheson, to write to the right hon. Member.

Letter from Nick Matheson to Sir Brian Mawhinney, dated November 1998:

The Parliamentary Secretary, Cabinet Office, has asked me in my capacity as Chief Executive of the Government Car and Despatch Agency to reply to your Parliamentary Question about the theft, hijacking, or other illegal loss of government cars. This Agency provides cars and drivers to some government departments. It is not responsible for all government cars.

Of those cars provided by this Agency since 1 May 1997, only one car has been stolen. This was in June 1998 and was a non ministerial car used mainly for driver training purposes. No other cars have been hijacked or suffered any other illegal loss of use.

NORTHERN IRELAND

Autism

Dr. Kumar: To ask the Secretary of State for Northern Ireland what steps she is taking to collect information centrally on autistic children in Northern Ireland; and if she will make a statement. [57622]

Mr. McFall: Information on autistic children in Northern Ireland is not held centrally and we have no plans to collect such information. It is for Health and Social Services boards and Education and Library to determine the needs of children with autism in their respective areas and work to ensure that these needs are met.

Dr. Kumar: To ask the Secretary of State for Northern Ireland what steps she is taking to issue specific guidance on services for autistic children in Northern Ireland; and if she will make a statement. [57621]

Mr. McFall: We have no plans to issue guidance specifically related to children with autism at this time. Guidance on services for children with disability, including those with autism, is contained in "The Children (Northern Ireland) Order 1995 Guidance and Regulations, Volume 5—Children with a Disability" published by HMSO in 1996.

Dr. Kumar: To ask the Secretary of State for Northern Ireland (1) what steps she is taking to ensure that educational authorities in Northern Ireland have sufficient funds to develop new services for autistic children; and if she will make a statement; [57626]

(2) if she will introduce a charter for persons with autism in line with the charter adopted at the fourth Autism European Congress in May 1992; and if she will make a statement. [57627]

(3) what steps she is taking to instruct each education authority in Northern Ireland to provide her with information on the provision of special educational facilities for children who suffer from autism or other forms of early childhood psychosis; and if she will make a statement; [57623]

(4) what steps she is taking to ensure that each child with autism in Northern Ireland receives a relevant educational service; and if she will make a statement. [57624]

Mr. McFall Education and Library Boards are required by legislation and funded by the Department of Education for Northern Ireland to assess and provide for all children in Northern Ireland with special educational needs, including autism. Special educational needs assessments are individual to each child, involving the provision of advice to Boards by a range of professionals, and statements of special educational needs are reviewed annually to ensure that the provision made remains relevant to each child's needs. Boards of Governors of schools also have the statutory duty to use their best endeavours to secure that if any registered pupil has special educational needs, the provision which his learning difficulty calls for is made. Provision is monitored by the Education and Training Inspectorate, who report satisfactory levels of provision and priority for autistic children. Information on provision and facilities for all children with special educational needs is readily available to the Department of Education from the education and Library boards.

Education and Library Boards in Northern Ireland already provide guidance on request in the range of educational services for children with special educational needs, including autistic spectrum disorder.

Industrial Site, Downpatrick

Mr. McGrady: To ask the Secretary of State for Northern Ireland what steps have been taken to market the new industrial site currently under construction on the Belfast Road, Downpatrick, in the *(a)* United States of America, *(b)* Canada, *(c)* Central Europe and *(d)* the Far East; and what have been the results of the marketing exercise. [57338]

Mr. Ingram: The overseas marketing by the Industrial Development Board (IDB) present the business opportunity of Northern Ireland as a whole, to encourage potential Investors to visit. Rarely at this early stage do potential investors seek such details but Overseas Representatives of the IDB do visit sites when they are in Northern Ireland so that they can answer detailed questions. It is generally when potential investors visit Northern Ireland that they are keen to learn details of particular sites. This year there have been two visits to the Belfast Road site in Downpatrick.

HEALTH

Mental Health Spending

Dr. Cable: To ask the Secretary of State for Health if he will estimate total public spending in real terms on mental health over the last 10 years. [57086]

Mr. Hutton: Mental health and mental ill health have a very wide impact and it is not possible to estimate total public expenditure.

Health expenditure taken from the Hospital and Community Health Services Programme Budget (at 1996–97 prices after allowing for Gross Domestic Product inflation) is shown in the following table:

£ million

Year	*Total spend on mental illness (inpatient, outpatient, day patient and community mental illness nursing)*
1986–87	1,866
1987–88	2,051
1988–89	2,147
1989–90	2,179
1990–91	2,171
1991–92	2,163
1992–93	2,493
1993–94	2,597
1994–95	2,522
1995–96	2,589
1996–97	2,801

Note:

Figures are not comparable throughout the period shown due to a number of factors 1) the changes in the data collection systems 2) revised NHS accounting practices 3) a change in the allocation of general practitioner fundholder expenditure.

Overall Local Authority Expenditure on mental illness is shown in the table:

£ million

Year	*Overall amount (including the Mental Illness Specific Grant (MISG))*
1991–92	203.11
1992–93	242.99
1993–94	304.50
1994–95	359.59
1995–96	418.50
1996–97	467.80
1997–98	65.59 (MISG only. Local authority expenditure not available)
1998–99	69.42 (MISG only. Local authority expenditure not available)

Note:

The above figures are shown at 1996–97 rates

Other specific funding since 1996/97 has been the Mental Health Challenge Fund, Emergency Pressures, Mentally Disordered Offenders Strategic Assistance Fund and the National Health Service Partnership Fund. Total expenditure is £64 million.

Accident and Emergency Units

Mr. Fearn: To ask the Secretary of State for Health how many hospital accident and emergency units in *(a)* the North West of England and *(b)* England have been (i) closed and (ii) merged since 1 May 1997. [57178]

Mr. Milburn: This information is not collected centrally.

Midwives

Mr. Viggers: To ask the Secretary of State for Health what arrangements are made to protect midwives undertaking night calls. [57598]

Mr. Milburn: National Health Service employers are legally obliged to provide a safe system of work, a safe working environment, safe premises, adequate training and instructions and information which allows employees to ensure their safety at work. The guidance "Safer working in the Community" launched on the 28 October 1998, contains a great deal of information on how to reduce the risks from violence which community staff, including midwives, may encounter in their work.

Social Services

Ms Buck: To ask the Secretary of State for Health what was the level of personal social services expenditure for each local authority in England and Wales for *(a)* 1994–95, *(b)* 1995–96, *(c)* 1996–97 and *(d)* 1997–98; and what is the percentage variation against standard spending assessment in each case. [58092]

Mr. Hutton: Details of personal social services expenditure by each local authority in England for 1994/95, 1995/96 and 1996/97 are available in the form of computer tables on the DH World Wide Web pages Internet reference *http://www.open.gov.uk/doh/public/psstat.htm*. Actual expenditure figures for 1997/98 are not yet available.

Copies of four tables which set out for each year by local authority, standing spending assessment, net expenditure and the percentage variation in each case have been placed in the Library. The figures on expenditure in the tables placed in the Library have been adjusted by Department of the Environment, Transport and the Regions statisticians to make them comparable with standard spending assessments. This has meant excluding expenditure supported by special and specific grants and making some other technical changes.

Figures for Wales are the responsibility of my right hon. Friend the Secretary of State for Wales.

Influenza Vaccines

Mr. Duncan: To ask the Secretary of State for Health what guidance has been issued through what channels, on the vaccination of pensioners against influenza. [57862]

Ms Jowell: Influenza vaccine is recommended for all those in whom the disease is more likely to be a serious illness, so immunisation is recommended for:

those with chronic respiratory or heart disease or renal disease, diabetes and those who are immunosuppressed

those living in long stay residential accommodation

from this year, all those aged 75 and over.

The Chief Medical Officer (CMO) and Chief Nursing Officer wrote to doctors and nurses advising them of this extension in policy in a joint letter in August 1998 (Personal Letter/CMO98/4 Personal Letter/CNO/98/6) and a Health Services Circular (HSC 1998/140) was sent to health authorities. The Department has issued a poster and updated its two leaflets about influenza: 'What should I do about flu?' and 'Flu vaccination', available from surgeries and health centres. Copies are available in the Library.

On 19 October, the CMO launched 'Flu Awareness Week' at a press conference organised jointly with AIMS (the Association for Influenza Monitoring and Surveillance).

Liverpool Blood Transfusion Centre

Mrs. Ellman: To ask the Secretary of State for Health what plans he has for investment in the Liverpool Blood Transfusion Centre; and if he will make a statement. [58074]

Mr. Hutton: Professor Alastair Bellingham, transitional director of the Liverpool Blood Transfusion Centre, is preparing a report for the National Blood Authority. We will consider the recommendations and options for investment when that report is ready.

Spitting

Mr. Etherington: To ask the Secretary of State for Health (1) what assessment he has made of the public health risks caused by individuals spitting in public places; [58183]

(2) if he will introduce measures to eradicate spitting in public places; and if he will make a statement. [58182]

Ms Jowell: The Department has no plans to introduce measures to eradicate spitting in public places.

Whilst spitting is an anti-social and disagreeable habit, it is very unlikely that diseases are spread via this route. Tuberculosis and other respiratory diseases are spread through breathing infected aerosolised droplets in the air, which are produced when an infected person coughs or sneezes. Since tuberculosis and other diseases are unlikely to be spread by spitting, measures aimed at eradicating spitting are unlikely to have any effect on the spread of disease.

Wheelchair Service

Mrs. May: To ask the Secretary of State for Health if he will set out the terms of reference for the current review of the wheelchair service for indoor and outdoor powered wheelchairs; when the contract for the review project was let; and what the deadline is for receipt of the contractor's report. [57772]

Mr. Hutton *[holding answer 2 November 1998]:* In 1996 the then Government announced additional funding to enable health authorities to introduce the provision of electrically powered indoor/outdoor wheelchairs and a voucher scheme for wheelchair users. An evaluation study of the implementation and operation of these initiatives has now begun. The evaluation will critically examine the performance of health authorities and wheelchair service providers in meeting the objectives of the two initiatives; identify the features of successful implementation; and make recommendations on any further action which may be necessary either in relation to the objectives or to improve implementation across the National Health Service.

The contract for the evaluation study was formally awarded on 29 October 1998. The work is expected to be completed by 31 March 1999.

Learning Disabilities

Mr. Todd: To ask the Secretary of State for Health if he will review provision for those with learning disabilities and give guidance to health and social service authorities on best practice. [57747]

Mr. Hutton: We already have a substantial programme of work in hand to ensure the continued, appropriate development of health and social services for people with learning disabilities. This includes:

follow up to *Moving into the Mainstream*, the report of a Social Services Inspectorate (SSI) inspection of learning disability services in 1997;

follow up to *Signposts for Success*, good practice guidance on meeting the health needs of people with learning disabilities issued by the Department in January 1998;

a project to improve our understanding of the service models which have developed in recent years and give us a clearer picture of the services available for people with learning disabilities. The first phase involved a review of plans for learning disability hospital closures; the second is looking at the range and balance of health and social care services for people with learning disabilities in 24 local authority areas; and

an advisory group involving key interests, including people with learning disabilities, has been set up to advise the Department on this programme of work. We will keep the need to issue further guidance under review.

Unwanted Pregnancies

Mr. Flynn: To ask the Secretary of State for Health what proposals he has to reduce the numbers of unwanted pregnancies. [56942]

Ms Jowell *[holding answer 3 November 1998]:* In November 1997, I announced the Government's commitment to reduce the rate of teenage conceptions and invited four individuals to make recommendations for the action which needs to be taken across four areas: sex and relationships education; counselling, advice and contraceptive services; vulnerable and hard to reach groups; and research. Their recommendations were received in the summer in a draft report drawn together by the Health Education Authority.

On 31 July, my right hon. Friend the Prime Minister asked the Social Exclusion Unit (SEU) to work with other Departments building on the work undertaken by the Department of Health to develop an integrated strategy to cut rates of teenage parenthood, particularly under-age parenthood, towards the European average and to propose better solutions to combat the risk of social exclusion for vulnerable teenage parents and their children, reporting to Ministers by December. The SEU is consulting widely to develop its recommendations. Copies of the consultation letter have been placed in the Library.

The Department is also in the process of reviewing existing guidance on the provision of family planning services to all age groups. This updated guidance will be produced early in the New Year and will be aimed at Primary Care Groups as well as health authorities. The Department also continues to fund the Contraceptive Education Service, which provides information for health professionals and the general public.

NHS Trusts (Damages Awards)

Mr. Peter Atkinson: To ask the Secretary of State for Health what proposals he has to mitigate the impact of large awards of damages on the budgets of NHS trusts and health authorities; and if he will make a statement. [57799]

Mr. Milburn: On 29 April 1998 my right hon. Friend the Secretary of State wrote to a number of organisations representing professional, legal, National Health Service and patient interests seeking their views on what can be done to reduce the number of incidents which give rise to claims against NHS trusts and health authorities, how to manage patient expectation and how to improve the handling of claims which do arise. Officials are in the process of studying replies in order to identify suggestions which might be taken forward in the future.

Juveniles (Secure Accommodation)

Mr. Clappison: To ask the Secretary of State for Health, pursuant to the answer from the former Under-Secretary of State for Health, the hon. Member for Brent, South (Mr. Boateng), on 11 March 1998, *Official Report*, column *203*, how many places in local authority secure accommodation which were planned for after 1 May 1997 *(a)* have been provided and *(b)* were planned for on the latest date for which figures are available. [58414]

Mr. Hutton: All six places will be available for use early in 1999. The two projects that are providing these additional places have been in the planning stage since early 1997. The latest published Departmental statistics on children's secure accommodation provides details for year ending 31 March 1997.

Breastfeeding

Mr. Jim Cunningham: To ask the Secretary of State for Health what research his Department has *(a)* commissioned and *(b)* evaluated on the advantages of breastfeeding for infants; and what steps his Department has taken to encourage women to breastfeed. [57793]

Ms Jowell: The Government are fully committed to the promotion of breastfeeding which is universally accepted as the best form of nutrition for infants. The Government's source of independent expert advice on infant feeding is the Panel on Child and Maternal Nutrition, which is a standing committee of the Committee on Medical Aspects of Food and Nutrition Policy (COMA). It recommends that babies should be breastfed exclusively for the first 4–6 months of life. In coming to a view and making recommendations, COMA reviews the published information and also seeks advice from experts in the field to ensure that it fully takes into account the latest research.

The Department offers support for research into breastfeeding through the Quinquennial Surveys of Infant Feeding Practice; the report of the 1995 survey was published last year. A project was commissioned in 1996 which has been ongoing until this year. This is a study on the impact of maternal nutrition (including breastfeeding) on health and development in healthy pre-term infants.

As part of the Government's research initiative on health inequalities, it has commissioned research, which started on the 1 November, aimed at identifying the barriers to breastfeeding in low income groups. Through the health technology assessment programme, in collaboration with the National Health Service Centre for Reviews and Dissemination, the Department is planning to fund a systematic review to evaluate the effectiveness of interventions to promote the uptake of breastfeeding. It has also funded a review of practices which prompte or

inhibit breastfeeding, and this report will be published soon. Further work is also being carried out, however, as part of the mother and child health programme.

The Department funds the National Network of Breastfeeding Co-ordinators (NNBC). The NNBC has been established to promote breastfeeding at a local level and to share ideas nationally with a view to increasing both the number of mothers breastfeeding and the length of time they continue to breastfeed.

Each year the four United Kingdom Health Departments support National Breastfeeding Awareness Week to increase public awareness of the benefits of breastfeeding, which this year took place between 17–23 May. This year, as in other years, the Department funded and provided the publicity materials used during the week. These included posters and postcards aimed at promoting breastfeeding with the slogan "Free fast food for babies".

The Department also provides financial support to the three main voluntary organisations in this area, the National Childbirth Trust, La Leche League and the Association of Breastfeeding Mothers. Close links are also kept with United Nations Children's Fund Baby Friendly Initiative which includes a Departmental observer sitting on the Steering Committee of the UK Baby Friendly Initiative.

The "Informed Choice Initiative" produces a series of leaflets (including one on breastfeeding), designed to allow women to make informed choices about their own maternity care.

Osteoporosis

Mr. Jim Cunningham: To ask the Secretary of State for Health what programmes he has promoted to educate men and women aged between 25 and 40 years on the importance of diet in the prevention of osteoporosis. [57794]

Ms Jowell: A healthy and balanced diet is important for all age groups to help reduce the risk of a number of illnesses, including osteoporosis. For this reason, we continue to promote healthy eating messages to all age groups and in particular to commission the Health Education Authority to incorporate healthy eating messages in their health education materials. None of these programmes have been specifically aimed at men and women between the ages of 25 and 40 years. However the health advice that promotes the importance of diet in the prevention of osteoporosis is valuable for people of all ages.

The Osteoporosis Strategy I launched earlier this year highlighted the various factors which play an important role in reducing the risk of osteoporosis. Maintaining a healthy diet with adequate calcium and vitamin D is just one aspect. Also as important is regular exercise, particularly weight bearing exercise, and avoiding smoking and excessive alcohol consumption. Such factors may play a part in the prevention of osteoporosis. Therefore the Osteoporosis Strategy provides valuable advice on lifestyle measures for reducing the risk of osteoporosis which applies to all age groups.

Work-related Stress

Mr. Jim Cunningham: To ask the Secretary of State for Health how many local health authorities provide workplace counselling and effective employment assistance programmes to combat work-related stress in the NHS. [57798]

Mr. Milburn: The information requested is not collected centrally. As part of the new strategic framework for managing human resources in the National Health Service the NHS Executive has identified the provision of counselling services for all staff as a priority for local action.

Cancer

Mr. Skinner: To ask the Secretary of State for Health if he will list (1) the success rates for curing the most common form of childhood leukaemia in *(a)* the United Kingdom, *(b)* France, *(c)* Germany, *(d)* Italy, *(e)* Sweden, *(f)* Denmark and *(g)* the United States of America in the last five years for which figures are available; [58110]

(2) the success rates for curing lung cancer in *(a)* the United Kingdom, *(b)* France, *(c)* Germany, *(d)* Italy, *(e)* Sweden, *(f)* Denmark and *(g)* the United States of America in the last five years for which figures are available; [58100]

(3) the success rates for curing cervical cancer in *(a)* the United Kingdom, *(b)* France, *(c)* Germany, *(d)* Italy, *(e)* Sweden, *(f)* Denmark and *(g)* the United States in the last five years for which figures are available; [58111]

(4) the success rates for curing prostate cancer in *(a)* the United Kingdom, *(b)* France, *(c)* Germany, *(d)* Italy, *(e)* Sweden, *(f)* Denmark and *(g)* the United States of America in the last five years for which figures are available; [58099]

(5) the success rates for curing colon cancer in *(a)* the United Kingdom, *(b)* France, *(c)* Germany, *(d)* Italy, *(e)* Sweden, *(f)* Denmark and *(g)* the United States in the last five years for which figures are available; [58101]

(6) the success rates for curing breast cancer in *(a)* the United Kingdom, *(b)* France, *(c)* Germany, *(d)* Italy, *(e)* Sweden, *(f)* Denmark and *(g)* the United States of America in the last five years for which figures are available. [58103]

Ms Hewitt: I have been asked to reply.

The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from Tim Holt to Mr. Dennis Skinner, dated 5 November 1998:

As Director of the Office for National Statistics (ONS), I have been asked to reply to your recent questions on success rates for treating cancer.

The latest available information on the survival of cancer patients in Europe is given in "Survival of cancer patients in Europe—The EUROCARE Study" (International Agency for Research on Cancer Scientific Publications No. 132); a copy is available in the House of Commons library. Results for the United States are given on pages 188 and 189 of "Cancer Epidemiology and Prevention" (2nd edition)

edited by D Schottenfeld and JF Fraumeni—copies of these pages are attached and copies will be placed in the House of Commons library.

Figures are not available on whether or not patients are cured—although when the relative survival curve "flattens off" the patients are dying at the same rate as the general population (same age and sex). Also, for most cancers (but not breast cancer or multiple myeloma), five year relative survival rates are often taken to be 'cure' rates.

TREASURY

Growth Forecasts

15. **Mr. Loughton:** To ask the Chancellor of the Exchequer what assessment has been made by his Department of the IMF's recent downgrading of forecasts for growth in the UK economy in comparison with other EU countries. [56874]

Mr. Byers: The IMF's latest forecast for growth in the UK in 1999 is broadly in line with the Government's forecast as set out in the Pre Budget Report published on 3 November.

25. **Mr. Amess:** To ask the Chancellor of the Exchequer what recent representations he has received on forecasts for growth. [56885]

Ms Hewitt: The Chancellor of the Exchequer receives numerous representations on all aspects of UK economic developments, including growth prospects.

European Central Bank

16. **Mr. Kidney:** To ask the Chancellor of the Exchequer if he will make a statement on the methods the European central bank will employ to achieve price stability in Europe. [56875]

Ms Hewitt: The European Central Bank (ECB) made a preliminary announcement on their monetary policy strategy on the 13 October. They set out their definition of price stability as a year-on-year increase in the Harmonised Index of Consumer Prices (HICP) of less than 2% and announced that, in order to achieve this, they will give prominence to a broad monetary aggregate target and will also monitor a wide range of economic and financial variables.

Economic Stability

17. **Caroline Flint:** To ask the Chancellor of the Exchequer what plans he has to encourage economic stability. [56877]

Mr. Connarty: To ask the Chancellor of the Exchequer what steps he is taking to encourage economic stability. [56873]

Mr. Geoffrey Robinson: The Pre-Budget Report sets out how the Government are taking action to steer a stable course for lasting prosperity.

International Financial Institutions

18. **Mr. Alan Simpson:** To ask the Chancellor of the Exchequer what proposals he has put forward for the reorganisation of international financial institutions. [56878]

Ms Hewitt: As my right hon. Friend the Chancellor of the Exchequer reported to the House earlier this week on 2 November 1998, *Official Report*, columns 559-63, significant reforms to strengthen the international financial system and improve the effectiveness of the international financial institutions were announced on 30 October by the Finance Ministers and Central Bank Governors of the G7 countries. These reforms reflect the shared determination of the G7 countries, under the Presidency of the UK, to put in place new rules and procedures and to modernise the international financial architecture to meet the challenges of the global economy.

Exchange Rates

20. **Mr. Boswell:** To ask the Chancellor of the Exchequer when he last met the Governor of the Bank of England to discuss exchange rates. [56880]

Ms Hewitt: The Chancellor has regular meetings with the Governor of the Bank of England, where they discuss a wide range of issues.

PSBR

21. **Mr. McAllion:** To ask the Chancellor of the Exchequer what discussions he has held with Scottish local authorities relating to the Treasury's definition of the public sector borrowing requirement. [56881]

Mr. Byers: The Chancellor of the Exchequer has not held any discussions relating to the definition of the PSBR with Scottish local authorities but he would be interested in receiving their views.

Government Statistics

22. **Mr. Flynn:** To ask the Chancellor of the Exchequer what proposals he has to improve the accuracy of Government statistics. [56882]

Ms Hewitt: The Government are committed to enhancing the integrity of official statistics. The Green Paper "Statistics: A Matter of Trust" was published in February and set out options to ensure that official statistics are of assured quality and produced and presented in a way which is free from political interference. In the light of the subsequent consultation exercise, the Government's proposals will be set out in a White Paper.

Global Credit

23. **Mr. Cousins:** To ask the Chancellor of the Exchequer what steps the Government are taking to prevent a global credit crunch. [56883]

Ms Hewitt: G7 Finance Ministers and central bank Governors have emphasised their commitment to create or sustain conditions for strong domestic demand led growth and preserve financial stability in their own economies.

Pensions Mis-selling

24. **Mr. Davidson:** To ask the Chancellor of the Exchequer if he will make a statement about the measures he has put in place to ensure that people who have been mis-sold private pensions are compensated. [56884]

30. **Mr. Pond:** To ask the Chancellor of the Exchequer what measures he is taking to ensure that compensation is paid to people who were mis-sold private pensions. [56890]

Ms Hewitt: The regulatory system for investment firms was set up under the Financial Services Act (1986), and the regulators have implemented the review of pensions mis-selling under the provisions of the Act.

The latest evidence is that, in 78 per cent. of priority cases, reviews have been completed.

Productivity

26. **Mr. Nigel Griffiths:** To ask the Chancellor of the Exchequer if he will make a statement about his policy to use the tax system to promote productivity increases in UK firms. [56886]

Mr. Gordon Brown: With business, we are putting in place a strategy to tackle the long-term economic weakness of a 40 per cent. productivity with our most successful competitors. The Pre-Budget Report sets out what we must do over the coming year to help equip the British economy for the challenges ahead.

Bank of England

27. **Mr. Kenneth Clarke:** To ask the Chancellor of the Exchequer how many meetings he has had with the Governor of the Bank of England so far in the current year. [56887]

Ms Hewitt: The Chancellor has had regular meetings with the Governor of the Bank of England throughout the course of this year.

Single Currency

28. **Mr. Miller:** To ask the Chancellor of the Exchequer if he will make a statement about his policy on the single currency. [56888]

Ms Hewitt: The Government's policy on UK membership of the single currency was set out by the Chancellor of the Exchequer in a statement to the House on 27 October 1997, *Official Report*, columns 583–88.

The Government believe that, in principle, British membership of a successful single currency could be beneficial to Britain and to Europe. Our national economic interest will be the key factor in deciding whether or not we should join. There is no constitutional bar to UK membership of the single currency.

The Government have concluded that the UK economy has neither the flexibility nor the convergence with the other European economies to make joining in 1999 in our national economic interest. The UK needs a period of stability and settled convergence before we can join. Barring some fundamental and unforeseen change in economic circumstances making a decision to join during this Parliament is not realistic. The job for this Parliament is to prepare in order to create a realistic option of joining early in the next Parliament, if Government, Parliament and the British people agree.

34. **Mr. Rammell:** To ask the Chancellor of the Exchequer if he will make a statement on Government plan to inform the public about the single European currency. [56894]

Ms Hewitt: The Government's communication campaign on the euro is not a general public education campaign but is specifically targeted at ensuring that UK businesses, especially small and medium sized firms, are aware of the implications of the introduction of the single currency from 1 January 1999 and have the information they need to address the issues arising from this.

Withholding Tax

29. **Mr. Bercow:** To ask the Chancellor of the Exchequer what is his policy towards the proposed European withholding tax. [56889]

Dawn Primarolo: We are in favour of effective international action against tax evasion. Action confined to the Community will be limited in its effectiveness but may be useful as part of a move towards wider action. However, we will not agree to any course of action which would seriously damage the UK and other European financial markets.

Miss McIntosh: To ask the Chancellor of the Exchequer what assessment he has made of the proposed European withholding tax. [56879]

Dawn Primarolo: The Government are taking an active part in discussions on the draft Directive. We have made it clear on a number of occasions that we will not agree to any course of action which would seriously damage the UK and other European financial markets.

Dividend Income (Pensioners)

31. **Dr. Cable:** To ask the Chancellor of the Exchequer what progress he has made with measures to address the anomaly of low-income pensioners facing taxation of their dividend income. [56891]

Dawn Primarolo: I refer the hon. Member to the answer I gave him on 26 October 1998, *Official Report*, column *37*.

Interest Rates

32. **Mr. Fraser:** To ask the Chancellor of the Exchequer if he will instruct the Bank of England Monetary Policy Committee to meet more frequently to determine UK interest rate policy; and if he will make a statement. [56892]

Ms Hewitt: The Bank of England Act 1998 states that the Monetary Policy Committee should meet at least once a month. The Act also states that the Governor of the Bank may summon a meeting at any time on giving such notice as in his judgment the circumstances may require.

36. **Mr. Ian Bruce:** To ask the Chancellor of the Exchequer what assessment he has made of the factors that underlie the level of interest rates in *(a)* the United Kingdom and *(b)* Germany. [56896]

Ms Hewitt: Interest rates in the UK are set by the Bank of England to deliver the Government's inflation target of 2½ per cent. RPIX inflation. The Bundesbank sets interest rates in Germany in pursuit of price stability.

Low-income Families

33. **Ms Corston:** To ask the Chancellor of the Exchequer what plans he has to assist working families on low incomes. [56893]

Mr. Gordon Brown: From April, as a result of abolishing the entry fee to National Insurance, all employees will receive a tax cut of more than £1 a week. The Working Families Tax Credit will be introduced guaranteeing a minimum income of at least £190 a week for the working families. This will back-up the national minimum wage which will be introduced in April next year, helping 1.9 million employees.

Unemployment

35. **Mr. Gray:** To ask the Chancellor of the Exchequer what forecast he has made for unemployment in 1999. [56895]

Ms Hewitt: In line with the convention adopted by previous administrations, the Government do not publish a forecast for unemployment.

Economic Activity

37. **Mr. Winnick:** To ask the Chancellor of the Exchequer when he next intends to meet the Governor of the Bank of England to discuss levels of economic activity. [56897]

Ms Hewitt: The Chancellor has regular meetings with the Governor of the Bank of England where they discuss a wide range of issues.

Farming (Young People)

Mr. Maclean: To ask the Chancellor of the Exchequer how many people under the age of 25 years have taken up farming as a career in each of the last 10 years; and what estimate he has made of the figure in the current year. [58136]

Ms Hewitt *[holding answer 4 November 1998]:* The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from Tim Holt to Mr. David Maclean, dated 5 November 1998:

As Director of the Office for National Statistics (ONS), I have been asked to reply to your recent parliamentary question on young people taking up farming as a career.

The precise information requested is not available. However, the Labour Force Survey (LFS), which is the ONS's major up to date source of occupational data, can provide estimates of those employed in farming occupations who were not employed in such occupations a year earlier. The attached table shows estimates from the spring LFS back to 1988. The vast majority of those covered are classified as agricultural workers rather than farmers according to the Socio-Economic classification of their stated occupation. These figures may include some full-time students and others not intending taking up farming as a career.

As with any sample survey LFS estimates are subject to sampling variability. The sampling variability (expressed as the range within which 95% of estimates taken from different samples would be expected to fall) of these estimates is roughly +/–20%.

People aged 16–24 employed in farming who were not so one year previously, Spring 1997-Spring 1998, not seasonally adjusted, United Kingdom

	Thousand
Spring 1988	40
Spring 1989	34
Spring 1990	32
Spring 1991	30
Spring 1992	27
Spring 1993	28
Spring 1994	28
Spring 1995	25
Spring 1996	23
Spring 1997	19
Spring 1998	21

Source:
ONS, Labour Force Survey

Labour Statistics (Scotland)

Mr. Worthington: To ask the Chancellor of the Exchequer how many people were registered as unemployed in each constituency in Scotland *(a)* in May 1997 and *(b)* at the most recent available date. [58341]

Ms Hewitt: The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from Tim Holt to Mr. Tony Worthington, dated 5 November 1998:

As Director of the Office for National Statistics (ONS), I have been asked to reply to your recent question on how many people were registered as unemployed in each constituency in Scotland.

The information you have requested can only be derived from the monthly claimant count of people claiming unemployment-related benefits (i.e. Jobseeker's Allowance or National Insurance credits). Essentially, all people who were claiming these benefits on the count day are counted.

The number of people claiming unemployment-related benefits in each Parliamentary Constituency in Scotland can be obtained from the Nomis database which is accessible by the House of Commons Library.

Registered Maternities

Mr. Pollard: To ask the Chancellor of the Exchequer, pursuant to his answer of 19 October 1998, *Official*

Report, columns *929–30*, concerning numbers of registered maternities, if the information can be provided for the most recent single year for which data are available. [58078]

Ms Hewitt: The information requested falls within the responsibility of the Director of the Office for National Statistics. I have asked him to reply.

Letter from Tim Holt to Mr. Kerry Pollard, dated 5 November 1998:

As Director of the Office for National Statistics (ONS), I have been asked to reply to your Parliamentary question on maternities in 1997.

The information requested is shown in the table below.

Maternities occurring in 1997 in selected hospitals for selected areas of usual residence of the mother

Place of maternity	*Place of mother's residence*				
	St. Albans	*Dacorum*	*Watford*	*Hertsmere*	*Three Rivers*
i) Hemel Hempstead General Hospital	1,215	1,512	13	12	48
ii) St. Albans City Hospital	0	0	0	0	0
iii) Watford General Hospital	102	32	1,078	588	884
iv) Mount Vernon Hospital	0	0	0	0	0
v) Barnet General Hospital	1	0	1	32	0
vi) Chase Farm Hospital	3	1	0	95	0
vii) Northwick Park Hospital	3	2	11	14	16
viii) Luton and Dunstable Hospital	29	13	0	1	2
ix) Stoke Mandeville Hospital	0	154	0	0	1
x) Wycombe General Hospital	0	1	0	0	3
xi) Other NHS Hospitals	234	21	14	299	45
xii) RAF Halton Hospital	0	0	0	0	0
xiii) Other non-NHS hospitals	4	4	0	20	6
xiv) At home	84	66	17	10	15
xv) Elsewhere	0	1	0	1	1
Total	1,675	1,807	1,134	1,072	1,021

High-payment Annuities

Mr. Letwin: To ask the Chancellor of the Exchequer if he will make it his policy to facilitate high-payment annuities for people of over 75 years of age with low incomes. [58264]

Ms Hewitt *[holding answer 3 November 1998]:* I would expect the annuities market to determine what rates of annuity are paid to individuals who buy annuities at a later time of life.

Mortality Rates

Mr. Webb: To ask the Chancellor of the Exchequer what estimate he has made of the probability of *(a)* a man and *(b)* a woman who reaches the age of 18 years in 1998 living up to or beyond the age of (i) 60, (ii) 65, (iii) 70, (iv) 75 and (v) 80 years. [57940]

Ms Hewitt *[holding answer 3 November 1998]:* Using the projected future mortality rates underlying the 1996-based population projections for the United Kingdom carried out by the Government Actuary's Department, it is estimated that the probability of someone aged 18 in the United Kingdom living up to or beyond the age of 60, 65, 70, 76 and 80 is as follows:

	Probability of someone aged 18 in the UK reaching age				
	60	*65*	*70*	*75*	*80*
Male	917	875	806	703	556
Female	942	919	877	808	703

Customs and Excise

Mr. Baker: To ask the Chancellor of the Exchequer what assessment he has made of the adequacy of the staffing levels of HM Customs and Excise offices along the South Coast. [56867]

Dawn Primarolo: The deployment of Customs' anti-smuggling staff around the UK is determined by the assessed risk of smuggling in any one area, and is reviewed regularly. Furthermore, the management by Customs of import and export cargo controls has been the subject of a detailed analysis over the past two years to ensure that efficiency and effectiveness at South Coast ports provides a good service for the users and value for money to the taxpayer. HM Customs and Excise are satisfied that current Customs resourcing levels along the South Coast are sufficient.

Statutory Sick Pay

Mr. Kirkwood: To ask the Chancellor of the Exchequer under what arrangements employers whose PAYE and NIC liabilities are too small to cover the statutory maternity pay and statutory sick pay due to their employees may apply to the Inland Revenue for funding; and if he will set out for each available year since 1990 the number and total, average and median amounts of such funding payments and the numbers of employers and employees in respect of whom such funding arrangements were made. [58139]

Dawn Primarolo: Employers whose PAYE and NICs liabilities for a month/quarter are too small to cover the statutory maternity pay and statutory sick pay due to their employees would refer to The Employee's Quick Guide to PAYE and NICs (Card 18). This would instruct them to deduct the amount owed to them from the following month/quarter payment to the Inland Revenue. If this will not be possible they are instructed to write to the Accounts Office with which they deal explaining their calculations and requesting an advance to enable them to make the payment to the employee.

The numbers and values of such payments made by the Accounts Offices in each of the last 4 years are recorded as:

Year	Cumbernauld	Shipley	Total	Amount (£)
1995	7,024	4,336	11,360	5,553,414
1996	6,968	4,537	11,505	5,728,183
1997	7,641	4,843	12,484	6,865,685
1998	7,956	5,231	13,187	7,529,098

It is not possible to break these figures down further to say how many employers or employees were involved or whether the payments were for refunded PAYE, statutory maternity pay or statutory sick pay.

Disabled Person's Tax Credit

Mr. Oaten: To ask the Chancellor of the Exchequer what consultation his Department has had with disability groups over the formulation of the disabled person's tax credit. [56943]

Dawn Primarolo: Inland Revenue officials have begun a series of informal discussions with representatives of disability groups in addition to their continuing consultations with representatives of employers, who will be responsible for paying the disabled person's tax credit through the wage packet from April 2000.

Charities Taxation

Mr. Whittingdale: To ask the Chancellor of the Exchequer if he will make a statement on the impact of his announcement of a review of the VAT exemption on the position of those charities appealing to the VAT and Duties Tribunal against the imposition of VAT on welfare services provided by them. [58306]

Ms Hewitt: Customs and Excise are asking the VAT and Duties Tribunal temporarily to suspend appeals by charities, while they consult interested parties on the circumstances in which home support services will be exempt from VAT as charity welfare services.

Mr. Whittingdale: To ask the Chancellor of the Exchequer (1) how much has been paid in VAT by charities for the provision of home support services in each of the last five years; and if he will make a statement; [58307]

(2) how many charities are currently liable for VAT for the provision of home support services. [58308]

Ms Hewitt: There are no specific data on the numbers of charities accounting for VAT on their supplies of home support services, or on the amount of that VAT. In light of a recent Tribunal decision Customs are reviewing their policy on charity welfare services and are consulting interested parties to agree the circumstances in which home support services will be exempt from VAT.

Mr. Waterson: To ask the Chancellor of the Exchequer what factors underlie the delay in publishing the response to the consultation arising from the review of charities taxation; and if he will make a statement. [58194]

Ms Hewitt: I refer the hon. Member to the answer given by my hon. Friend the Financial Secretary to the right hon. Member for Tonbridge and Malling (Sir J. Stanley) on 26 October 1998, *Official Report*, column 40.

Vehicle Excise Duty

Mr. Whittingdale: To ask the Chancellor of the Exchequer what will be the Vehicle Excise Duty payable on *(a)* 40 tonne and *(b)* 41 tonne heavy goods vehicles from 1 January 1999. [58309]

Ms Hewitt: The Chancellor of the Exchequer has announced that he is reviewing the system for setting Vehicle Excise Duty (VED) rates for lorries to ensure that the environmental damage caused by lorries is reflected in their VED rates. The review is taking into account the wider environmental impacts of lorries, as well as considerations of their physical effects on the road infrastructure. The VED payable from 1 January 1999 for the new vehicles are set out in the table:

£

New Vehicles	VED rates from 1 January 1999 (until the next Budget)
Rigid 17–18t (2 axles)	1,320
Artic 36t (4 axles)	5,170
Artic 38t (4 axles)	
Artic 40t (5 axles)	3,210
Artic 41t (6 axles)	1,280
Artic 44t (5 axles)	2,280

New higher rates will be announced in the next Budget, to discourage strongly the use of vehicles with 11½ tonne axle weights, in view of the additional road damage that they cause.

Golf Clubs

Mr. Letwin: To ask the Chancellor of the Exchequer if he will make a statement on VAT treatment of subscriptions for *(a)* private golf clubs and *(b)* proprietary clubs. [58252]

Dawn Primarolo: Playing subscriptions to non-profit making sports clubs are exempt from VAT. Subscriptions to proprietary clubs are liable to VAT at 17.5 per cent.

Mr. Maude: To ask the Chancellor of the Exchequer if he will estimate the effect on revenue as a result of the rejection on 6 May 1998 of an appeal by Keswick Golf Club and others to the VAT and Duties Tribunal relating to the VAT status of green fees at members' clubs in *(a)* 1998–99, *(b)* 1999–2000, *(c)* 2000–01, and *(d)* 2001–02. [58172]

Dawn Primarolo: Customs estimate that the decision of the VAT and Duties Tribunal saved them from having to repay £30 million of VAT revenue to non-profit making golf clubs. They also estimate that the revenue yield from VAT on green fees charged by non-profit making golf clubs is £10 million a year.

Taxation (Car Users)

Mr. Nicholas Winterton: To ask the Chancellor of the Exchequer what representations he has received about the level of tax on car users. [57470]

Ms Hewitt: The Chancellor has received a number of representations about the excise duty on hydrocarbon oil and the impact on car users. All of the representations will be carefully considered in the run up to the next Budget.

Mr. Nicholas Winterton: To ask the Chancellor of the Exchequer if he will calculate the total income received by Her Majesty's Government from all forms of car tax, vehicle excise duty, VAT on car sales, and hydro-carbon taxes in *(a)* 1997–98 and *(b)* 1998–99 to date. [57471]

Ms Hewitt: Car tax was abolished with effect from 12 November 1992.

£ million

	1997–98	*1998–99 (to September 1998)*
Vehicle excise duty	4,487	2,353
Hydro-carbon taxes for road fuels	19,245	10,277

It is not possible to estimate the Government's income from VAT on car sales except at disproportionate cost.

Impoverished Countries (Debt)

Ms Drown: To ask the Chancellor of the Exchequer what assessment he has made of the figures calculated by the Jubilee 2000 Coalition in its report "In Our Own Backyard", concerning the cost of cancellation of debts owed to Britain by the most impoverished countries. [58076]

Ms Hewitt: Many of the figures in tables "In Our Own Backyard" have been taken from answers to parliamentary questions and/or from ECGD and DFID. Officials have not checked all the individual numbers produced by Jubilee 2000; nor is it possible, at this stage, to estimate reliably the final cost of debt relief to the Exchequer. The tables do not set out the extent to which the UK government support poor countries through their aid programme. The UK gives significantly more money in aid to the world's poorest countries than it receives in debt repayments. In 1997–98, for example, DFID's bilateral aid programme to the 40 countries identified under the HIPC initiative was just under £200 million while in the same period the UK received only £31 million in debt repayments from these countries.

Anti-avoidance Rule

Mr. Gibb: To ask the Chancellor of the Exchequer what estimate he has made of the annual cost of the Inland Revenue providing pre-transaction clearances following the introduction of a general anti-avoidance rule on the basis of *(a)* a 30 day turn-round time and *(b)* a 60 day turn-round time, ensuring no charges are made to the taxpayer. [58021]

Dawn Primarolo: No such estimate has been made. Consultation on a possible General Anti-avoidance Rule (GAAR) is still in progress, and is addressing the general principles of a GAAR.

VAT (Sport)

Mr. Maude: To ask the Chancellor of the Exchequer how many times, and on what occasions, HM Customs and Excise has consulted *(a)* the European Commission and *(b)* the Association of Golf Course Owners since the withdrawal of the VAT (Sport, Sports Competitions and Physical Education) Order 1998 with regard to its redrafting. [58177]

Dawn Primarolo: Although there have been no consultations, Customs have periodic discussions with the Association of Golf Course Owners.

Mr. Maude: To ask the Chancellor of the Exchequer what amendment of the recent European Court of Justice ruling against the Kingdom of Spain (Case C-124/96, Judgment of the Court, Sixth Chamber, of 7 May 1998) has been made by HM Customs and Excise for the redrafting of the VAT (Sport, Sports Competitions and Physical Education) Order 1998; and if he will make a statement on the implications of that ruling for the redrafting. [58174]

Dawn Primarolo: Customs do not expect the ruling to have any implications for a replacement Order.

Mr. Maude: To ask the Chancellor of the Exchequer, pursuant to the HM Customs and Excise Press Release 06/98 regarding the VAT (Sport, Sports Competitions and Physical Education, Order 1998, how the Government defines 'genuine' non-profit making clubs. [58164]

Dawn Primarolo: Non-profit making clubs will be defined in any replacement for the VAT (Sports, Sports Competitions and Physical Education) Order 1998.

Mr. Maude: To ask the Chancellor of the Exchequer if he will estimate the effect on revenue as a result of the recent European Court of Justice ruling against the Kingdom of Spain (Case C-124/96, Judgment of the Court, Sixth Chamber, of 7 May 1998). [58175]

Dawn Primarolo: Customs do not expect the ruling to have any current effect on revenue.

Mr. Maude: To ask the Chancellor of the Exchequer what was the value of the costs that the Government were ordered to pay by the European Court of Justice (Case C-124/96, Judgment of the Court, Sixth Chamber, of 7 May 1998) as a result of HM Treasury's support of the Kingdom of Spain; and if he will list those costs. [58173]

Dawn Primarolo: The Government were not ordered to pay any costs.

Mr. Maude: To ask the Chancellor of the Exchequer if he will list those organisations with which HM Customs and Excise have liaised during their discussions with interested parties with regard to the redrafting of the VAT (Sport, Sports Competitions and Physical Education) Order 1998. [58176]

Dawn Primarolo: Customs have had discussions with the Central Council of Physical Recreation, the English Golf Union, the National Golf Clubs' Advisory Association, the Sports and Recreational Trusts Association and the Association of Golf Course Owners.

Public Appointments

Mr. Vaz: To ask the Chancellor of the Exchequer if he will publish the names of those people he has appointed to public bodies since 1 May 1997, indicating the positions to which they have been appointed, and whether they receive remuneration. [56757]

Ms Hewitt: I refer my hon. Friend to the answer given to him by the then Economic Secretary on 17 December 1997, *Official Report*, columns *189–90*. Since then, the following additional appointments have been made.

Public body	*Names*	*Position*	*Whether remunerated*
Policyholder's Protection Board	John Robins	Chairman	Remunerated
	Peter Foster	Member	
	Susan Ward	Member	
	Frances Harrison	Member	
Board of Banking Supervision	Gottfried Bruder	Independent members	Remunerated
	Sir Brian Pearce		
Financial Services Authority	Mr. P.A. Thorpe	Directors	Remunerated
	Mr. R.H. Farrant		
	Mr. M.D. Foot		
VAT and Duties Tribunal	Mrs. Mary Christine Ainsworth	Part-time lay members	All unremunerated (but fee-paid per sitting)
	Mrs. Heather Cornwell-Kelly		
	Mrs. Marilyn Crompton		
	Kumar Sunil Das		
	Mrs. Carol Jean Debell		
	Mrs. Claire Elizabeth Howell		
	Mrs. Penny Jonas		
	Mrs. Carole A. Roberts		
	John Gerald Robinson		
	Mark Sischy (Scotland)		
	The Hon. Mrs. Angela Widdows		
ONS Statistics Advisory Committee	Dr. Diane Coyle	Members	Unremunerated
	Robert Chote		
Royal Mint Advisory Committee on the Design of Coins, Medals, Seals and Decorations	Ms K. Eustace	Members	Unremunerated
	Mr. S. Devlin		

In addition, there were a number of re-appointments to the VAT and Duties Tribunals, which I shall write to my hon. Friend about separately.

Act of Union (Bicentenary Coin)

Mr. John D. Taylor: To ask the Chancellor of the Exchequer if the Government will commission a special coin from the Royal Mint to celebrate the bicentenary of the Act of Union between Ireland and Great Britain. [58072]

Ms Hewitt: No decisions have yet been made about which, if any, events will be commemorated in this way in 2001.

VAT (Alcoholic Drinks)

Mr. Waterson: To ask the Chancellor of the Exchequer when ministers last met representatives of the brewing and distilling companies to discuss the current and future levels of taxation levelled on alcoholic drinks. [58193]

Dawn Primarolo: I last met the Trade Associations representing the brewing and distilling industries just before the last Budget in order to discuss their Budget Representations. The exact dates are as follows: Wine and Spirits Association—18 February 1998; Brewers and Licensed Retailers Association—23 February 1998; Scotch Whisky Association and Gin and Vodka Association—24 February 1998.

INDEX TO THE

PARLIAMENTARY DEBATES

OFFICIAL REPORT

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SCOPE OF THE INDEX, ARRANGEMENT AND ABBREVIATIONS

This index is derived from the House of Commons Library's Parliamentary On-Line Information System (POLIS), and the subject terms used are based on those used in POLIS. There are often changes in column numbering, etc., between the daily part or weekly Hansard (which simply collects together the daily parts without revision) and the bound volume. The index for the bound volume is revised to take account of these changes and cannot therefore, be used in connection with the daily part or weekly Hansard. For these versions use the Fortnightly Index.

Scope and arrangement of the Index

Oral and Written Parliamentary Questions are indexed under subject headings and the names of Members asking and Ministers replying to them. Questions are not listed under the names of Departments replying. Departmental listings can be arrived at indirectly by looking under the names of the Minister(s) of that Department. There are, however, the headings 'Northern Ireland', 'Scotland', and 'Wales' under which one can find not only most Questions answered by the Northern Ireland Office, Scottish Office, Welsh Office but also Questions about these areas of the United Kingdom which are answered by other Departments. Ministerial statements are indexed under subject headings, under 'Ministerial statements' and the names of Ministers making them and Members speaking on them. General debates are indexed under broad subject headings and under the names of all Members and Ministers taking part. Debates on legislation (Bills, Orders, Regulations etc.) are indexed under the name of the Bill, Statutory Instruments etc, under subject headings and under the names of those taking part.

Rulings and Statements by Speaker and deputies are brought together under the heading 'Speaker's rulings and statements'.

Other contributions by Speaker and deputies appear under the heading Speaker.

Opposition Day Debates and Estimates Day Debates and Standing Order No. 10 applications are listed under those respective headings and under subject headings too.

The date of each item except Parliamentary Questions is inserted immediately before the reference.

Members' names are given in the form by which they prefer to be known and are printed in bold italics. Under their names, entries are arranged under one of the two headings *Debates, etc.* (to include interventions on statements, points of order and so on) or *Questions.*

Abbreviations

Bills 1R = first reading, 2R = second reading, Money res = money resolution, Comm = Committee stage, Rep = Report stage, 3R = third reading, amendt/amendts = amendment/amendments, * = matter taken formally, without debate.

Column numbers followed by the letter W refer to Written Questions. These appear at the end of each daily part or volume with their own sequence of column numbers printed in italics.

A1
Scotland 478w

A11
306w

A12
Road works 108w

A40
Cheltenham 247w

A49
Road accidents 10–1w

A130
313w

Abbott, Ms Diane
Debates etc.
Economic policy (26.10.98) 29, 32, 55, 61–6, (03.11.98) 696
Questions
Financial services, Regulatory systems 1000

Abortion
Barnet 186–7w, 293w
Northern Ireland 185–6w, 598w

Absent voting
Scottish Parliament 478w

Abuse of Children Living away from Home Review
see Safeguards against Abuse of Children Living Away from Home Review

Access to buildings
Foreign and Commonwealth Office 78w
NHS trusts 536–7w
Polling stations 670
Prison visits 375–6w, 498w

"Access to the Open Countryside in England and Wales Consultation Paper"
103w

Access to work programme
63w
Councillors 404w

Accident and emergency departments
676w

Act of Union 1800
Questions
Commemorative coins 695w

Administration of justice
Young offenders 48w, 389–90w

Admission charges
Millennium Exhibition 623w
Museums and galleries 197w

Adoption (League Tables) Bill 1997/98
Debates etc.
1R (27.10.98) 158–62

Advisory Committee on Genetic Testing
see Genetic Testing Advisory Committee

Advisory Committee on Releases to the Environment
638w

Aerials
Planning permission 160w

Aerospace industry
283w
Government assistance 135w
International cooperation 448
Offset arrangements 586w
USA 509w
Wales 556w

Affidavits
Hampshire Constabulary 239w

Afro-Caribbeans
Eye tests 294w

Age addition
Retirement pensions 547w

Agency nurses
620w
Greater London 291–2w

Agenda 2000
144, 144w
EC transport policy 143–4
South Yorkshire 143–4

Agenda 21
573w

Agricultural land
Land acquisition 559–60w
Waste disposal 431–2w

Agricultural productivity
1005–6

Agricultural products
Overseas trade 432–6w
Prices 436–8w, 665w

Agricultural subsidies
154w
Economic and monetary union 664w
Scotland 593w
Tobacco 637–8w

Agricultural workers
Pay 666w
Youth employment 687–8w

Agriculture
(26.10.98) 81–128, 559w, (03.11.98) 778–86
Northern Ireland 325
Opposition days (04.11.98) 934–84
Public expenditure 613–4w
Regulatory systems (28.10.98) 310–8
Scotland 668–9
Wales 609–10w, 858–9

Agri-environment action plan
426w

AIDS
Developing countries 583w
Scotland 594–5w

AIDS support grant
98w

Ainger, Mr Nick
Questions
Alcohol and crime, Young people 57w
Fox hunting, Crimes against property 110w
Fox hunting, Railway accidents 108w

Ainsworth, Mr Peter
Questions
British Sky Broadcasting, Manchester United Football Club 317w
Dept for Culture Media and Sport, Ministerial duties 320w
Dept for Culture Media and Sport, Public appointments 320–2w, 627w
Dept for Culture Media and Sport, Public expenditure 466w
Dept for Culture Media and Sport, Reviews 316w
Millennium Exhibition, Admission charges 623w
Millennium Exhibition, Sponsorship 623w
Museums and galleries, Admission charges 197w
Music education 317w
New Opportunities Fund 318w
News at Ten 318w, 465w
Sports sponsorship, Tobacco advertising 317–8w

Ainsworth, Mr Robert, Lord Commissioner of Her Majesty's Treasury
Debates etc.
Personal pensions, Misrepresentation (03.11.98) 777

Air force
Armed forces training 20w, 220w
Courts martial 19w

Air force bases
Concorde 111w

Air force strength
112w, 220w, 586w

Air pollution
Carbon dioxide 162w
Digital television 24w

Air pollution control
164w, 583–4w

Air routes
Regional airports 313–4w

Air traffic control
Heathrow Airport 307w
Scotland 862

Air transport
France 571w

Air travel
Dept of Social Security 547w

Aircraft carriers
351w

Aircraft noise
Heathrow Airport 566w

Aircrew
Army 354w

Airlines
Government assistance 643w

Airport tax
40w

Albania
Children 581w
Overseas aid 200–1w, 448–9w
Political refugees 118w

Alcohol and crime
Young people 57w

Alcoholic drinks
Children 576w, 588w, 619w
Health education 588w
Industrial health and safety 176w, 188w
Young people 655w

Alcoholic drinks duties
696w

Aldershot
Territorial Army 543–4

Alexander, Mr Douglas
Questions
Clinics, Paisley 661

Allan, Mr Richard
Debates etc.
European Parliamentary Elections Bill, Lords amendts (27.10.98) 165, 179, 183–5, 190, 202–3
Police, Racial discrimination (04.11.98) 821–3
Questions
Primary education, School admission 231w
Reception classes, Government grants to local authorities 227w

***Allen, Mr Graham**, Vice Chamberlain of Her Majesty's Household*
Debates etc.
Electoral systems (05.11.98) 1107

Alliance and Leicester plc (Group Reorganisation) Bill (HL) 1996/97
Debates etc.
2R order read (29.10.98) 443, (05.11.98) 993

Alternative energy
445–6
Overseas aid 450–2w

Alternatives to prison
6

Amess, Mr David
Debates etc.
Animal quarantine, Pets (29.10.98) 517–9
Cyprus (28.10.98) 251–7
Questions
Betting and gaming duties, Gaming machines 42w
Economic growth 683w
Hospital waiting lists, Wales 861
Legal aid 677–8
Police, Manpower 52w
Prime Minister's questions 555
USA, Foreign relations 143w

Amnesty International
274w

Analgesics
Prescriptions 196w

Anderson, Mr Donald
Questions
Pinochet, Augusto 141

***Anderson, Janet**, Parliamentary Under-Secretary of State, Dept for Culture Media and Sport*
Debates etc.
Millennium, Portsmouth (02.11.98) 658–60
Pay television, Sports (28.10.98) 306–9
Questions
Arts 627w
BBC Radio 4 267w
Cinemas 314w
Concessionary television licences, Blind 322w
Cricket, Wales 627w
Digital television 198w
Film industry 563w
Film industry, Multilateral Agreement on Investment 197w
Football, Television 315w
Manchester Airport, Foreign tourists 314w

Animal experiments
473–4w
Licensing 496–7w
Viagra 576w

Animal feed
Antibiotics 216–7w
Bovine spongiform encephalopathy 429w

Animal quarantine
Pets (29.10.98) 474–529

Animal welfare
Cattle 560–1w
Departmental coordination 401w

Animals (Scientific Procedures) Act 1986
Questions
496–7w

Annuities
Elderly 689w

Antarctic Treaty
637w

Antenatal care
536w

Antiaircraft missiles
541

Antibiotics
Animal feed 216–7w
Hormone treatments 289–90w

Antitank missiles
Defence procurement 354w

Apprentices
Deeside 89w

Archaeological sites
Surveys 102w

Arco Arun
see MV Arco Arun

Argentina
Arms trade 146w
Foreign relations 80w, 149–51
Human rights 274w

Ariane programme
23w, 139w

Armed conflict
Sudan 136–7

Armed forces
Marriage 113–4w

Armed forces cadets
542–3
Minesweepers 543
Territorial Army 543

Armed forces casualties
Iraq-Kuwait conflict 348–9w

Armed forces catering services
Beef 353w, 424w, 541–2
Falkland Islands 356w
Pigmeat 155w
Sheep meat 353w, 541–2

Armed forces civilians
Compensation 19–20w

Armed forces dependants
Education 347w

Armed forces discharges
Royal Naval Air Service 352w

Armed forces housing
Empty property 223w
Property transfer 222w
Rents 222w
Scotland 221–3w
Tenant eviction 222w

Armed forces medical services
551
Finance 344–5w
Territorial Army 344w, 551

Armed forces punishment
354w

Armed forces recruitment
Criminal records 219w
Ethnic minorities 344w, 545–6

Armed forces reserves
Insurance 205w

Armed forces retirement
Army 20w
Marines 111–2w

Armed forces strength
Northern Ireland 443–4w

Armed forces training
Air force 20w, 220w
Royal Naval Air Service 352w, 354w

Arms exports
British Petroleum 132w, 409w

***Arms exports**—continued*
Export credit guarantees 192w, 584w

Arms surplus sales
Museums and galleries 205w

Arms trade
Argentina 146w
Chile 441w
China 2w
Colombia 132w, 409w
Commonwealth of Independent States 414–5w
Developing countries 579–80w
Sierra Leone 82–5w
Turkey 17w, 221w

***Armstrong, Hilary**, Minister of State for Local Government and Housing, Dept of the Environment Transport and the Regions*
Questions
Council housing finance 259–60w
Home improvement agencies, Finance 254–5w, 309w
Local authorities, Millennium compliance 10w
Local authority powers 457w
Local government finance 571–2w
Local government finance, Tourists 8w
Local government reform, Government grants 260–1w
Local government staff 260w
Revenue support grant 459–60w
Standard spending assessments, Hertfordshire 303w

Army
(28.10.98) 360–434
Aircrew 354w
Armed forces retirement 20w

Army bases
Northern Ireland 445w
Repairs and maintenance 445w

Army in Northern Ireland
443–4w, 489w
Prisoners 210w, 445–6w

Army Personnel Centre
Performance standards 586–7w

Arrests
Proscribed organisations 482–3w, 499–500w

Art works
Royalties 372w

Arts
627w
National Lottery (05.11.98) 1115–22

Asbestosis
Exservicemen 545

Ashdown, Rt Hon Paddy
Questions
Economic and monetary union 864–5
Kosovo 330–1

Ashton, Mr Joe
Debates etc.
Safeguards against Abuse of Children Living Away from Home Review (05.11.98) 1020

Assisted areas
23w, 133–4w
Wales 89w, 557w

Assisted places scheme
405w

Asthma
539–40w

Astrophysics
352–3w, 585w

Asylum
see Political refugees

Asylum and Immigration Act 1996
Questions
119w

Atherton, Ms Candy
Questions
Dept for Culture Media and Sport, Cash limits 321w

Atkins, Charlotte
Debates etc.
Agriculture (04.11.98) 936
Business questions (05.11.98) 1026
Questions
Bovine tuberculosis 156w
Public Analyst Services Review Group 218w

Atkinson, Mr David
Questions
Defence equipment, Millennium compliance 548–9

Atkinson, George
88w, 147, 239w

Atkinson, Mr Peter
Debates etc.
Army (28.10.98) 376–7
Questions
Exports, North East region 443–4
NHS, Compensation 679–80w

Auctions
Consumer protection 373w

Austin, Mr John
Questions
Argentina, Foreign relations 80w
Falkland Islands, Fisheries 80w
Kosovo, War crimes 79w
Mladic, Ratko 79w
Sudan, British embassies 79w

Autism
619w
Children 72w, 225w, 295w, 415–6w, 673–4w
MMR vaccine 224–5w, 631w
Northern Ireland 673–5w
Public service 558–9w
Scotland 225w, 631–3w
Special education 228–9w, 531w, 631–3w, 674–5w

Availability for work
Handicap benefits 550–1w

Average earnings
Statistics 36w

Aviation fuels
Taxation 163–4w

Aylesbury Young Offenders Institution
576–7w

Badgers
432w

Bahrain
Human rights 413w

Baker, Norman
Debates etc.
Agriculture (26.10.98) 96
Ports, Newhaven (04.11.98) 837–41
World Trade Organisation, Environment protection (28.10.98) 277–9, 294
Questions
Animal experiments, Licensing 496–7w

Baker, Norman—continued
Animal welfare, Departmental coordination 401w
Biotechnology and Genetic Modification Ministerial Group 25w
Catalytic converters 459w
Chemical weapons 20–1w
Chemical weapons, Terrorism 494–5w
Choephel, Ngawang 545w
"Civil Protection", Costs 58w
Computer privacy 495w
Customs and Excise, South East region 689–90w
Defence Intelligence and Security Centre 446w
Environment protection, Tibet 14w
Environmental Stakeholders Forum 13w
Gee, Richard 1–2w
Genetically modified organisms 471–2w
Genetically modified organisms, Crops 105w, 452w, 661–2w
Genetically modified organisms, Germany 162w
Genetically modified organisms, Industrial health and safety 12–3w
Genetically modified organisms, Pesticides 561w
Genetically modified organisms, Waste management 451w
Intelligence and Security Committee 497w
MI5, Disclosure of information 495–6w
Open government 57–8w
Organic farming 298w
Patents 22w
Pesticides, Disclosure of information 559w
Prosecutions 2w
Railway network, Rural areas 14w
Road traffic 458–9w
Special branch, Personal records 578w
Strategic Rail Authority 13–4w
Supermarkets, Monopolies 137w
Supermarkets, Wastes 298w
Telephone tapping 494w
Transport of radioactive materials 161–2w

Ballard, Jackie
Questions
Agri-environment action plan 426w
Armed forces catering services, Beef 353w
Investing in dentistry initiative 290–1w
Kosovo 139
Student Loans Company, Performance standards 589–90w

Ballistic missile defence
112w

Ballistic missiles
Iran 142–3w

Bank of England
685w, 999

Bankruptcy
367w
Scotland 477w

***Banks, Mr Tony**, Parliamentary Under-Secretary of State, Dept for Culture Media and Sport*
Questions
National Lottery 196–7w
National Lottery, Further education 197w
National Lottery, Hospices 198w
Olympic Games 7w
Sports sponsorship, Tobacco advertising 317–8w
Sportsgrounds, Safety standards 315w
World Cup 198w

Barnes, Mr Harry
Debates etc.
European Communities, Points of order (27.10.98) 157
European Parliamentary Elections Bill, Lords amendts (27.10.98) 171–2
International economic policy (02.11.98) 569
Iraq (03.11.98) 710
Questions
Weapons, Northern Ireland 868–9

Barnet
Abortion 186–7w, 293w
Childbirth 293w

Barnet Football Club
259w, 308–9w

Barron, Mr Kevin
Debates etc.
Intelligence services (02.11.98) 629–32

***Battle, Mr John**, Minister of State, Dept of Trade and Industry*
Questions
Aerospace industry, Government assistance 135w
Aerospace industry, USA 509w
Ariane programme 23w, 139w
Astrophysics 585w
British Aerospace, Defence Analytical Services Agency 509w
Civil Aircraft Research and Demonstration 22w
Coal mining, Industrial diseases 509–10w
Electricity, Imports 139w
Electricity supply industry, Millennium compliance 131w
Electricity tariffs 285w
Energy consumption 583–4w
Foresight programme 584w
Fuel cells, Motor vehicles 137–8w
Industry, Interest rates 286w
Manufacturing industries, Interest rates 286w
Medical Research Council 624–5w
Motor industry, Manpower 136w
Motor industry, West Midlands 510–1w
Non-fossil fuel obligation 511–2w
Nuclear fuel reprocessing, Germany 513w
Nuclear power stations, Millennium compliance 508w
Outer Space Act 1986 21w
Sellafield, Radioactive wastes 513–4w
Shipbuilding 508–10w
Space technology 23w, 288w
Textile industry 286w
Water charges 135w
Wind power 512–3w

Bayley, Mr Hugh
Questions
Organisation for Security and Cooperation in Europe, Kosovo 411w
Police equipment, Radio 11–2

BBC Radio 4
267w

Beaches
EC law 453w

Beard, Mr Nigel
Debates etc.
Economic policy (26.10.98) 40
Questions
Road works, Woolwich 573w

Bechtel Corporation
Jubilee line 639w

***Beckett, Rt Hon Margaret**, President of the Council and Leader of the House of Commons*
Debates etc.
Business statements (05.11.98) 1024–31
Questions
Business questions 463–73
Business statements 461–3
Central government, Millennium compliance 358w
House of Commons procedure 553–4
House of Commons reform 556–8
House of Commons, European Parliament 554
Members, European Communities 362w
Members' travel, EC institutions 225w
Millennium Exhibition 89w
Parliamentary questions, Northern Ireland 484w
Parliamentary recess 553–5
President of the Council, Cash limits 361–2w
President of the Council, Ministerial duties 363w
Prime Minister's questions 555–6
Public appointments, President of the Council 358–62w
Standing Committee on Regional Affairs 556

Beef
Armed forces catering services 353w, 424w, 541–2
Exports 857–8, 869
Scotland 671–2
Wales 857–8

Beef premiums
Administrative delays 77w

Begg, Miss Anne
Questions
Council housing, Scotland 673

Beggs, Mr Roy
Debates etc.
Cyprus (28.10.98) 254–5
Questions
Educational standards, Northern Ireland 323
Sportsgrounds, Safety standards 212w
Student numbers, Northern Ireland 211–2w

Beith, Rt Hon A J
Debates etc.
Electoral systems (05.11.98) 1042, 1046–9, 1052, 1064, 1109
European Parliamentary Elections Bill, Lords amendts (27.10.98) 182, 192, 195
Intelligence services (02.11.98) 582, 598–603, 649
Pinochet, Augusto, Points of order (28.10.98) 356
Questions
EC grants and loans, Berwick upon Tweed 284w
Mentally disturbed offenders 9
Ministry of Agriculture Fisheries and Food, Recycling 298w

Belfast Agreement
33w, 208w, 320–3, 325, 475w

Bell, Mr Martin
Questions
Mines, Bomb disposal 547–8

***Bell, Mr Stuart**, Second Church Estates Commissioner*
Debates etc.
Electoral systems (05.11.98) 1064–6
International economic policy (02.11.98) 566

***Bell, Mr Stuart**—continued*
Questions
Church buildings, Theft 439w
Church of England, Millennium Arts Festival for Schools 439w
Church of England, Personnel 1w
Voting System Independent Commission 177w

Belmarsh Prison
Prison visits 498w

Benefit integrity project
Disability living allowance 549–50w

Benefits Agency
see Social Security Benefits Agency

Benn, Rt Hon Tony
Debates etc.
Business questions (05.11.98) 1029
Electoral systems (05.11.98) 1053–5, 1111

Bercow, Mr John
Debates etc.
Economic policy (26.10.98) 26, 34–5, 42, 54, 58, 68, 72
Economic situation (04.11.98) 884, 894, 898, 909, 914, 917
Safeguards against Abuse of Children Living Away from Home Review (05.11.98) 1023
Working Time Regulations (27.10.98) 216, 234
Questions
Agenda 2000 144
Business questions 471
Mines, Kosovo 547
Party conferences, Security 177w
Pinochet, Augusto 402w
Police, Early retirement 17
Public expenditure, Scotland 480w
Small businesses, Interest rates 453–4
Small businesses, Investment 1010
Withholding tax 686w
Working hours, EC law 368w

Beresford, Sir Paul
Questions
Economic forecasting 866

Bermingham, Mr Gerald
Debates etc.
Electoral systems (05.11.98) 1068–9, 1109, 1111
European Parliamentary Elections Bill, Lords amendts (27.10.98) 164–5, 180–3, 198, 208
International economic policy (02.11.98) 571
Prime Minister's questions, Points of order (04.11.98) 872
Questions
Financial services, Codes of practice 1008
Prime Minister's questions 555–6

Berry, Mr Roger
Debates etc.
Social security (28.10.98) 353

Berwick upon Tweed
EC grants and loans 284w

Best, Mr Harold
Questions
Buying Agency 246w

Best value
Local government services 308w, 481w
Scotland 481w

Betting and gaming duties
185w
Gaming machines 42w

***Betts, Mr Clive**, Lord Commissioner of Her Majesty's Treasury*
Debates etc.
Agriculture (04.11.98) 934–5

Biodiversity
255–6w
Sustainable development 262w

Biotechnology and Genetic Modification Ministerial Group
25w

Birmingham Relief Road
639w

Black Watch
Territorial Army (28.10.98) 295–302

***Blair, Rt Hon Tony**, Prime Minister, First Lord of the Treasury and Minister for the Civil Service*
Questions
Air traffic control, Scotland 862
Animal experiments 473–4w
Animal welfare, Departmental coordination 401w
Beef, Exports 869
Belfast Agreement 475w
Cabinet committees 139–41w, 475w
Cabinet Office, Cash limits 404w
China, Arms trade 2w
China, Foreign policy 2w
China, Ministers' visits abroad 140w
Civil servants, Opposition 474w
Community hospitals 171w
Concessionary television licences 335
Council of Europe 475w
Cuba, Diplomatic relations 172w
Domestic violence 330
EC budget 243w
EC enlargement 599w
Economic and monetary union 864–6
Economic forecasting 862–4, 866, 870
Economic policy 867
Electoral reform 867–8
Electoral systems, Referendums 329
Euro, Publicity 171–2w
European Parliament elections, Electoral systems 866–7
Falkland Islands, Sovereignty 628w
Family credit 867
Food Standards Agency 336
Genetically modified organisms 471–2w
Hospital waiting lists 332
Hospital waiting lists, Grimsby 869–70
Intelligence and Security Committee, Annual reports 241w
Kosovo 330–1
Labour Party 866
Legislation, Terminology 241w
Manufacturing industries, Redundancy 331–3
Members' conduct, Codes of practice 243w
Menem, Carlos, Sun Newspaper 403w
Middle East, Peace negotiations 870
Minimum wage 329
Ministerial Group on Older People 598–9w
Ministers, Security vetting 402w
Multilateral Agreement on Investment 870
National Lottery Distribution Fund, Coal mine closures 336–8
Northern Ireland Human Rights Commission 403w
Nuclear weapons, Russia 865–6
Official residences 401–2w
Pinochet, Augusto 334–5, 402–3w
Prime Minister, Ministers' visits abroad 3w
Prime Minister, Virgin Rail 3w
Sudan, Bombings 140–1w

Blair, Rt Hon Tony*—*continued
Sudan, Health aid 403w
Task forces, Internet 474w
Tax harmonisation, Direct taxation 242w
Tax harmonisation, Income tax 242w
Tibet, Human rights 172w
UK membership of EC, Cabinet committees 140w
Unemployment 336
Voting System Independent Commission 335–6
Weapons, Northern Ireland 868–9
Wembley Stadium 332
Western European Union 472–3w
Withholding tax 328–9
Working families tax credit 334, 865

Blears, Ms Hazel
Debates etc.
Business questions (05.11.98) 1027
Questions
Energy consumption 254w
Local government staff 260w

Blind
Concessionary television licences 322w

Blizzard, Mr Bob
Debates etc.
Agriculture (26.10.98) 101
Questions
Bypasses 452w
Carbon dioxide, Air pollution 162w
Drug abuse, Industrial health and safety 176w
Dual carriageways 303w
Fuel cells, Motor vehicles 137–8w, 302–3w
Road traffic, Hydrocarbon oil duties 302w
Transport infrastructure, Investment 105–6w
Transport policy, Teleworking 163w
Unemployment, Lowestoft 230w

Blood
Exports 546w

Blood transfusion services
Liverpool 677–8w

Blunt, Mr Crispin
Debates etc.
Army (28.10.98) 383–4, 389, 400–7, 412–4
EC defence policy, Points of order (27.10.98) 157
Iraq (03.11.98) 712
Questions
Abortion, Northern Ireland 185–6w
Germany, Defence equipment 151–2
Metropolitan Police 19–20
Public expenditure, Scotland 478w
Territorial Army, Finance 587w
Territorial Army, Reigate 628w

Board of Inland Revenue
see Inland Revenue

Boateng, Mr Paul, Minister of State, Home Office from October 28 1998 Previously Parliamentary Under-Secretary of State, Dept of Health
Questions
Atkinson, George 239w
Autism, Children 72w
Breast cancer 97w
Breast cancer, Screening 70w
Children, Migration 68w
Community policing 183–4w
Community service orders 239–40w
Criminal injuries compensation 502–5w, 655w

Boateng, Mr Paul*—*continued
Criminal records, Disclosure of information 179w
Domestic violence 375w
Firearms, Compensation 179–80w
Firearms, Licensing 499w
Fraud, Inventions 375w
Heart diseases, Hospital waiting lists 69w
Heart diseases, Young people 68w
Hillsborough Stadium Evidence Inquiry 501–2w
Hillsborough Stadium Inquiry 502w
Illegal immigrants 183w
Juries, Criminal proceedings 497w
Motor vehicle theft, Crime prevention 498w
Oncology, Hospital consultants 97–8w
O'Neill, Diarmuid 501w
Parenting orders 385w
Police, Dogs 374–5w
Police, Manpower 656w
Police, Road traffic control 177–8w
Police equipment 575w
Police national computer 502w
Police pensions, Widows 240w
Political refugees, Government grants to local authorities 71–2w
Pornography 387–8w
Pornography, Children 387–8w
Prosthetics 67w
Religious discrimination, Crimes of violence 239w
Residential care, Capital rules 95w
Restraint equipment 575w
Road traffic control, Cameras 178w
World Cup, Public order policing 653w
Young offenders, Administration of justice 389–90w
Young offenders, Prisoners on remand 653w

Bodmin Moor Commons Bill (HL) 1993/94
Debates etc.
Order for consideration read (29.10.98) 443, (05.11.98) 993

Body, Sir Richard
Questions
Civil servants, Termination of employment 400w
Horses, Export of live animals 562w
Referendums, EC internal trade 59w

Bomb disposal
Mines 546–8

Bombings
Lockerbie 142w, 152–4
Sudan 140–1w

Borrow, Mr David
Questions
Economic policy 867
Parliamentary Commissioner for Administration, Recruitment 246w

Boswell, Mr Tim
Questions
Dounreay, Nuclear safety 135–6w
EC enlargement 145–6
Electricity, Imports 139w
Energy consumption 583–4w
Exchange rates 684w
"Fairness at Work White Paper" 623w
Prison education services 47w
Productivity 1005
Redundancy, North East region 444–5

Bottomley, Mr Peter
Debates etc.
Police, Racial discrimination (04.11.98) 819–21

Bottomley, Rt Hon Virginia
Debates etc.
Safeguards against Abuse of Children Living Away from Home Review (05.11.98) 1017–8
Questions
Chechnya, Kidnapping 145w
Women's Royal Voluntary Service 46w

Boundary Commission for England
578w

Bovine spongiform encephalopathy
Animal feed 429w
Compensation 152w, 426w, 620w, 662w
Departmental correspondence 216w
Disease control 77w, 425w, 429w, 599–600w, 664–6w, 858
Organophosphates 662w
Wales 858

Bovine Spongiform Encephalopathy and Creutzfeld Jakob Disease Inquiry
662w

Bovine tuberculosis
156w
Compensation 665w

BOWMAN combat radio system
Defence procurement 348w, 552–3

Bradshaw, Mr Ben
Debates etc.
Agriculture (04.11.98) 945
Electoral systems (05.11.98) 1047
Questions
Germany, Foreign relations 151

Brady, Mr Graham
Debates etc.
Electoral systems (05.11.98) 1067
Questions
EC Social Charter, Trade competitiveness 451–2
Greater Manchester Police, Finance 47w
Nuclear power stations, Millennium compliance 508w

Brake, Mr Tom
Questions
Housing construction, Derelict land 639w
Intelligence services, Complaints 506–7w
London Transport, Fares 574w
Nature Conservancy Council for England, Conflict of interests 457w
Warren, Gordon 14–5

Brand, Dr Peter
Debates etc.
Safeguards against Abuse of Children Living Away from Home Review (05.11.98) 1022
Questions
St Mary's Hospital Isle of Wight 416w

Brazier, Mr Julian
Debates etc.
Adoption (League Tables) Bill, 1R (27.10.98) 158–60
Army (28.10.98) 362, 370, 374
Iraq (03.11.98) 712
Questions
Territorial Army, Ethnic minorities 546

Breast cancer
97w, 195w
Radiotherapy 323w
Scotland 323w
Screening 70w

Breast feeding
69w, 680–1w

Brecon
Explosives 356w

Breed, Mr Colin
Questions
Road tax 110w

Brewing industry
458–9
Employment opportunities 458

Brewster Avenue School Peterborough
Members' correspondence 404–5w

British Aerospace
Defence Analytical Services Agency 21w, 509w

British citizenship
St Helena 78w, 143w, 655w

British Council
602w

British dependent territories
78w

British embassies
Closures 274–5w
Sudan 79w

British Government Panel on Sustainable Development
261–2w

British household panel survey
35–6w

British Leyland
see Rover Group

British Petroleum
Arms exports 132w, 409w

British residents abroad
Kidnapping 545w
Retirement pensions 27w, 266w, 391–2w

British Sky Broadcasting
Manchester United Football Club 134w, 317w, 372w

British Waterways Board
165–6w

Brooke, Rt Hon Peter
Debates etc.
Army (28.10.98) 401–2, 409–12
International economic policy (02.11.98) 569
Personal pensions, Misrepresentation (03.11.98) 776
Police, Racial discrimination (04.11.98) 817–9
Questions
Business questions 467
High technology, Small businesses 450

Broomfield Primary School Chelmsford
405w

Brown, Rt Hon Gordon, Chancellor of the Exchequer
Debates etc.
Economic policy, Ministerial statements (03.11.98) 681–702
Economic situation (04.11.98) 881, 887–96
International economic policy, Ministerial statements (02.11.98) 559–74
Questions
Average earnings, Statistics 36w
Bank of England 999
Child benefit 1002
Economic policy 997–9
Economic situation 996
Interest rates 37w, 996–7
Low incomes 1001–2
Minimum wage 1002
Productivity 685w, 994–5
Treasury, Ministers' visits abroad 342w
Working families tax credit 687w

Brown, Rt Hon Nicholas, Minister of Agriculture, Fisheries and Food
Debates etc.
Agriculture (04.11.98) 938, 941–56, 958
Animal quarantine, Pets (29.10.98) 474–86, 519, 521
Questions
Intervention Board, Cash limits 437–8w
Ministry of Agriculture Fisheries and Food, Public expenditure 156–8w
Pigmeat, Armed forces catering services 155w

Browning, Mrs Angela
Debates etc.
Agriculture (26.10.98) 102, 115–7, (04.11.98) 939

Bruce, Mr Ian
Debates etc.
Working Time Regulations (27.10.98) 213, 217, 221, 234, 236–7
Questions
Economic situation 1009–10
Electricity tariffs 285w
Gibraltar 144–5
Interest rates, Germany 687w
Magistrates' courts 679
RNAS Portland 539–40

Bruce, Mr Malcolm
Debates etc.
Economic policy (26.10.98) 22–8, 36, 39, 44, 48, 77, (03.11.98) 691–2
Economic situation (04.11.98) 890, 896–901
International economic policy (02.11.98) 565
Questions
Income tax on fluctuating incomes, Farm incomes 615–6w
Productivity 995
Treasury, Ministers' visits abroad 342w

Brunei
Human rights 412w

BSE and CJD Inquiry
see Bovine Spongiform Encephalopathy and Creutzfeld Jakob Disease Inquiry

Buck, Ms Karen
Debates etc.
Prostitutes Advertisements (Public Telephone Boxes) Bill, 1R (28.10.98) 358–9
Questions
Educational standards 101w
Personal social services, Expenditure 676–7w

Building industry
Trade promotion 250–3w

Building regulations
Fire prevention 452–3w
Housing and handicapped 11–2w

Buildings
Greater London Authority 10w
Police Authority for Northern Ireland 493w

Burden, Mr Richard
Debates etc.
Electoral systems (05.11.98) 1075–7
Questions
British residents abroad, Kidnapping 545w
Business questions 464–5
Productivity 1004–5

Burglary
Prison sentences 6–7

Burgon, Mr Colin
Questions
Convention on International Trade in Endangered Species, Elephants 645–6w
Environment protection, Ministerial duties 644–5w
Home improvement agencies, Finance 254–5w
Sustainable development, Biodiversity 262w
Sustainable development, Performance standards 109–10w

Burma
Trade promotion 289w

Burnett, Mr John
Debates etc.
Agriculture (26.10.98) 118–20
Army (28.10.98) 366–7
Questions
Community Legal Service 678

Burns, Mr Simon
Questions
Meale, Alan, Planning permission 308–9w
Mid Essex Hospital Services NHS Trust, Hospital waiting lists 416w
New deal for lone parents, Chelmsford 175–6w
Political refugees, Government grants to local authorities 71–2w
Political refugees, Immigration controls 51w
School admission, Essex 405w
Vacancies, Chelmsford 170w

Burstow, Mr Paul
Debates etc.
Safeguards against Abuse of Children Living Away from Home Review (05.11.98) 1016
Questions
Access to work programme, Councillors 404w
Cabinet committees 475w
Child benefit, Children in care 397–8w
Community care 622w
Concessionary television licences, Blind 322w
Connex Rail, Rolling stock 574–5w
Disability living allowance, Benefit integrity project 549–50w
Home care services, Fees and charges 538w
Home improvement agencies, Finance 309w
Local government reform 459–60w
Nursing homes 417–9w
Parenting orders 385w
Pharmacists 419w
Prescriptions 419w
Primary care groups 537–8w
Residential care, Inspections 538w
Residential care, Tranquillisers 417w
Revenue support grant 459–60w
Social services, Information technology 416–7w
Social services, Performance standards 538–9w
Task forces, Internet 474w
VAT, Home care services 614w
Young offenders, Custodial treatment 385w

Bus services
Greater London 642–3w
Privatisation 642w

Buses
EC action 15–6w
Hydrocarbon oil duties 307w
Safety belts 247–8w

Business
Deregulation initiative 452–3
Government assistance 663
Scotland 663
Universities 450

Business interests
Dept of the Environment Transport and the Regions 250w

Business motions
(26.10.98) 21, (05.11.98) 1114

Business questions
463–73

Business start-up scheme
626w

Business statements
461–3, (05.11.98) 1024–31

Butler, Mrs Christine
Questions
Data Protection Act 1998 58w

Butterfill, Mr John
Debates etc.
Economic policy (03.11.98) 699
Personal pensions, Misrepresentation (03.11.98) 717–8, 738, 748, 753–60, 764, 775
Questions
Royal parks, Parking 267w

Buying Agency
246w

Byers, Rt Hon Stephen, Chief Secretary to the Treasury
Debates etc.
Economic policy (26.10.98) 28–37
Economic situation (04.11.98) 886
Questions
Economic forecasting 1006–7
Economic growth 683w
Monetary compensatory amounts 614w
Personal tax allowances 994
Public expenditure 340–1w
Public expenditure, Agriculture 613–4w
Public expenditure, Scotland 614–5w
Public sector net cash requirement 90w, 684w
Taxation 993–4
Taxation, NHS finance 994

Bypasses
452w

Cabinet committees
139–41w, 475w
UK membership of EC 140w

Cabinet Office
Cash limits 400–1w, 404w
Ethnic minorities 666–70w
Public appointments 671–3w

Cable, Mr Vincent
Debates etc.
Economic policy (26.10.98) 31
International economic policy (02.11.98) 573
Personal pensions, Misrepresentation (03.11.98) 744–6
Police, Racial discrimination (04.11.98) 807–10
Questions
Aerials, Planning permission 160w
Average earnings, Statistics 36w
Bovine Spongiform Encephalopathy and Creutzfeld Jakob Disease Inquiry 662w
Building regulations, Fire prevention 452–3w
Citizenship, Curriculum 529w
Exchange rates 43–4w

Cable, Mr Vincent*—*continued
Foresight programme 584w
Fraud, Inventions 368w, 375w
Historic buildings, Fire prevention 563w
Investment income, Taxation 37w, 686w
London Fire and Civil Defence Authority, Private finance initiative 58–9w
Magistrates, Ethnic minorities 332w
Magistrates, Training 332w
Mental health services, Expenditure 675–6w
Metropolitan Police 115w
Metropolitan Police, Finance 19–20
Personal pensions, Misrepresentation 1008
Political refugees, EC action 374w
Political refugees, London boroughs 240–1w
Railway land 103–4w
Reading, Curriculum 100w
Shipbuilding 508–10w
Social services 536w
Solicitors, Rights of audience 475–6w
Special education 233–4w
Young offenders, Ethnic minorities 237–9w

Caborn, Mr Richard, Minister for the Regions Regeneration and Planning, Dept of the Environment Transport and the Regions
Questions
Housing construction, South West region 103w
Meale, Alan, Planning permission 259w, 308–9w
Town and country planning, Environmental impact assessment 169w
Urban Task Force, Public appointments 309–10w

Caerphilly Borough Council
610w

Cameras
Road traffic control 127–8w, 178w

Campbell, Mrs Anne
Debates etc.
Economic policy (03.11.98) 694
Electoral systems (05.11.98) 1057–9

Campbell, Mr Menzies
Debates etc.
Army (28.10.98) 362–3, 433
Iraq (03.11.98) 706
Territorial Army, Black Watch (28.10.98) 301
Questions
Kosovo 140
Nuclear weapons 353w
Territorial Army 544
Trident missiles 221w, 350w

Campbell-Savours, Mr Dale
Debates etc.
Animal quarantine, Pets (29.10.98) 476
Economic policy (26.10.98) 33, 39, 42
Intelligence services (02.11.98) 580, 608–9, 617–21, 631
International economic policy (02.11.98) 567
Iraq (03.11.98) 707
Questions
Business questions 465
Productivity, Germany 1006

Canavan, Mr Dennis
Questions
Northern Ireland government 208–9w

Cancer
see also Breast cancer, Cervical cancer

Cancer
Death 483w
Medical treatments 682–3w
Prescription charges exemptions 96–7w
Scotland 96–7w, 483w
Wales 331w

Cann, Mr Jamie
Debates etc.
Cyprus (28.10.98) 252, 254–5, 257, 259–64

Capital gains tax
447w

Capital punishment
Sierra Leone 82–5w

Capital rules
Income support 173w, 395w
Residential care 95w

Caplin, Mr Ivor
Debates etc.
Economic situation (04.11.98) 922, 924
Questions
Average earnings, Statistics 36w
EC Foreign Affairs Council 409–11w
High technology, Small businesses 448w
Inland Revenue, Cash limits 343w
Millennium Exhibition 89w
Monetary policy 1009
VAT, Home care services 226w

Caravan sites
Travelling people 169w

Carbon dioxide
Air pollution 162w

Carers
292w

Caribbean
EC external relations 143w

Carlisle
Leisure facilities 165w

Cars
Excise duties 692–3w

Casale, Mr Roger
Questions
President of the Council, Ministerial duties 363w

Cash, Mr William
Debates etc.
Economic situation (04.11.98) 887–8, 897
European Parliamentary Elections Bill, Lords amendts (27.10.98) 173–4, 176, 180–1, 184–8, 207
Questions
Debts, World War I 226w
EC enlargement 142–3
Euro, Publicity 171–2w
UK membership of EC, Cabinet committees 140w

Cash limits
Cabinet Office 400–1w, 404w
Crown Prosecution Service 299w
Dept for Culture Media and Sport 321w
Dept for Education and Employment 408–9w
Dept for International Development 449–50w
Dept of Health 422–3w
Dept of the Environment Transport and the Regions 463–5w
Dept of Trade and Industry 370–1w
Foreign and Commonwealth Office 413–4w
Home Office 388–9w
Inland Revenue 343w
Intelligence services 404w

***Cash limits**—continued*
Intervention Board 437–8w
Lord Chancellor's Dept 333w
President of the Council 361–2w
Scottish Office 324–6w
Welsh Office 330–1w

Castle Gardens School Newtownards
215w

Catalytic converters
459w

Cattle
Animal welfare 560–1w

Census of population
Disclosure of information 54–6w

Central government
Millennium compliance 358w

Central London
Road traffic control 642w

Central Railway
167w

Cervical cancer
Wales 329w

Chancellor of the Exchequer
see Treasury

Channel Islands
EC law 654w
Legislature 5

Channel Islands and Isle of Man Financial Regulation Review
4–5, 507w

Channel tunnel
Railway network 167w, 305w

Chapman, Mr Ben
Questions
British Council 602w
EC grants and loans, Merseyside 447
Independent Commission on Policing for Northern Ireland 209w

Chapman, Sir Sydney
Debates etc.
Business questions (05.11.98) 1027–8
Cyprus (28.10.98) 261–2
Questions
Metropolitan Police 4
National tree week, Wales 609w
Terrorism, Northern Ireland 211w

Charities
Taxation 40w, 691w
Working hours 23w

Chaytor, Mr David
Debates etc.
World Trade Organisation, Environment protection (28.10.98) 288–9
Questions
Freehold land, Planning permission 575w, 624w
Further education, Costs 526w
Further education colleges, Schools 525–6w
Higher education admission 65w
Lighting, Energy conservation 460–1w
Local education authorities, Standard spending assessments 521–3w
Sellafield, Mixed oxide fuel 454–5w
Sixth form education 526w

Chechnya
Kidnapping 145w

Chelmsford
New deal for lone parents 175–6w
Vacancies 170w

Cheltenham
A40 247w

Chemical and biological warfare
Russia 148
Treaties 110–1w, 147–8
USA 147–8

Chemical weapons
20–1w
Health hazards 617w
Sudan 19w
Terrorism 494–5w

Chemists' shops
Wales 556w

Chideock bypass
641w

Chidgey, Mr David
Debates etc.
Economic policy (26.10.98) 57–61
Industrial health and safety (04.11.98) 793–5, 798
Working Time Regulations (27.10.98) 215–6, 227–9
Questions
Air transport, France 571w
Economic and monetary union 456–7

Child benefit
1002
Children in care 397–8w
Taxation 41w
Widows 30w

Child care tax credit
41w

Child prostitution
20

Child protection registers
Powys 859

Child Support Agency
(26.10.98) 129–34, 649w
West Midlands 607–8w

Childbirth
Barnet 293w

Children
Albania 581w
Alcoholic drinks 576w, 588w, 619w
Autism 72w, 225w, 295w, 415–6w, 673–4w
Curfews 9–10
Maintenance 554–5w, 606–7w
Migration 68w
National savings 614w
Nutritition and health 195–6w
Pornography 387–8w
Publications 388w

Children in care
Child benefit 397–8w
Educational standards 235–6w

Children's Safeguards Review Ministerial Task Force
60–1w

Chile
Arms trade 441w
Export promotion 288w
Foreign relations 140–1, 150
Iron and steel 457
Official visits 147w
Overseas trade 369w, 626w
Scouts and guides 602w

China
Arms trade 2w
Foreign policy 2w
Human rights 138, 274w
Ministers' visits abroad 140w

Choephel, Ngawang
545w

Chope, Mr Christopher
Debates etc.
World Trade Organisation, Environment protection (28.10.98) 289–91
Questions
BOWMAN combat radio system, Defence procurement 348w
British Sky Broadcasting, Manchester United Football Club 134w
Central government, Millennium compliance 358w
Dept of Trade and Industry, New Millennium Experience 368w
Hydrocarbon oil duties, School transport 37w
Institute of Export 142w
Legal aid 674–5
Millennium Exhibition 448–9
New Millennium Experience, Wales 612w
Outer Space Act 1986 21w
Regional selective assistance 287w
Road tax, Lorries 37–8w
Social Security Contributions Agency, Computers 647–8w
Winter fuel payments 33w

Chorley
National Grid for Learning 530w

Church buildings
Theft 439w

Church of England
Millennium Arts Festival for Schools 439w
Personnel 1w

Cinemas
314w

Citizenship
Curriculum 529w

City of Westminster Bill (HL) 1996/97
Debates etc.
2R* (05.11.98) 993

Civil Aircraft Research and Demonstration
22w

Civil Justice and Legal Aid Reform Review
680

"Civil Protection"
Costs 58w

Civil servants
Ethnic minorities 671w
Opposition 474w
Termination of employment 400w

Civil service agencies
Fraud 212–4w
Northern Ireland 212–4w

Civil service manpower
Dept for International Development 5w

Civil service recruitment
Government Communications Headquarters 603w

Clapham, Mr Michael
Debates etc.
Industrial health and safety (04.11.98) 787–93

Clappison, Mr James
Debates etc.
European Parliamentary Elections Bill, Lords amendts (27.10.98) 201–5
Questions
Community policing 118w, 183–4w
Curfews, Children 9–10

Clappison, Mr James*—*continued
Extradition, Spain 117w
Firearms, Compensation 180w
Firearms, Crime 119w
Health visitors 532w
Illegal immigrants 181–3w
Immigration and Nationality Directorate, Computers 50–1w, 116w
Immigration and Nationality Directorate, Manpower 115w
Manufactured exports, Exchange rates 286w
Middle East, Peace negotiations 141w
Official engagements 122–3w
Official visits 126–8w
Pinochet, Augusto 56–7w, 123–5w
Political refugees, Administrative costs 116–7w
Political refugees, Albania 118w
Political refugees, Immigration appeals 237w
Political refugees, Immigration applications 181w
Political refugees, Slovakia 51w
Religious discrimination, Crimes of violence 239w, 373–4w
Secure accommodation, Young offenders 680w
Standard spending assessments, Hertfordshire 303w
Young offenders, Prisoners on remand 652–3w

Clark, Rt Hon Alan
Debates etc.
Animal quarantine, Pets (29.10.98) 478, 480
Questions
Business questions 472
Essex Police, Dogs 16–7

Clark, Dr Lynda
Questions
Bankruptcy, Scotland 477w

Clark, Dr Michael
Questions
Territorial Army, Wales 853

Clarke, Mr Charles, Parliamentary Under-Secretary of State, Dept for Education and Employment
Debates etc.
School population (04.11.98) 832–6
Questions
Citizenship, Curriculum 529w
Class sizes 232w
Education, Travelling people 233w
Educational health services 588w
Educational standards, Children in care 235–6w
Ethnic minorities, Government grants to local authorities 589w
Health education, Alcoholic drinks 588w
Languages education 590w
Music therapy, Ministerial duties 234w
National Grid for Learning 529–30w
National Grid for Learning, Chorley 530w
Physical education 528w
Primary education, School admission 231w
Primary education, Teachers 527w
School admission, Essex 405w
School transport, Concessionary fares 231w
Science education 592w
Special education 233–4w, 530–1w
Special education, Autism 228–9w, 531w
Special education, Hyperactivity 530w
Teacher training 528–9w

Clarke, Mr Eric
Questions
Business, Government assistance 663
Cabinet committees 139–40w

Clarke, Rt Hon Kenneth
Debates etc.
Economic situation (04.11.98) 888–9, 891–2, 929
Questions
Bank of England 685w
Interest rates 996–7

Clarke, Rt Hon Tom
Debates etc.
International economic policy (02.11.98) 568
Social security (28.10.98) 350
Questions
Film industry, Scotland 673–4

Class sizes
231–2w, 406–8w, 657w

Clifton-Brown, Mr Geoffrey
Debates etc.
Agriculture (04.11.98) 934–5
Economic situation (04.11.98) 904, 912, 915–20, 928
International economic policy (02.11.98) 574
Questions
Gloucestershire Constabulary, Police pensions 7–8

Climate Change Convention
246–7w, 639–40w, 642–3w
UK delegations 643w

Clinical psychologists
292–3w

Clinics
Paisley 661

Closed circuit television
13–4
Scotland 481–2w

Clwyd, Ann
Debates etc.
Pinochet, Augusto, Points of order (27.10.98) 155, (28.10.98) 356
Questions
Coal mining, Wales 613w
Defence industries, Trade fairs 129w
European Human Rights Foundation 138

Coaker Mr Vernon
Debates etc.
World Trade Organisation, Environment protection (28.10.98) 286–7
Questions
Ethnic minorities, Government grants to local authorities 589w
Open government 58w
Working hours, EC law 624w

Coal mine closures
National Lottery Distribution Fund 336–8

Coal mining
Horses 383w
Industrial diseases 509–10w
Wales 613w

Coastal areas
Economic situation 24w
Environment protection 8w

Coastal protection
297–8w

Cohen, Mr Harry
Questions
Chemical and biological warfare, Treaties 147–8

Cohen, Mr Harry*—*continued
Export controls 282–3w
Metropolitan Police, Dogs 59w
Metropolitan Police, Land acquisition 385–6w
Ministers, Security vetting 402w

College governors
Further education colleges 529w

Collins, Mr Tim
Debates etc.
Economic situation (04.11.98) 883
International economic policy (02.11.98) 574
Iraq (03.11.98) 710–1
Questions
Aerospace industry, Government assistance 135w
Aerospace industry, Offset arrangements 586w
Aerospace industry, USA 509w
BBC Radio 4 267w
Breast cancer, Screening 70w
British Aerospace, Defence Analytical Services Agency 21w, 509w
China, Arms trade 2w
China, Foreign policy 2w
China, Ministers' visits abroad 140w
Civil Aircraft Research and Demonstration 22w
Dept of the Environment Transport and the Regions, Official cars 163w
Digital television 198w
Economic forecasting 870
Prime Minister, Ministers' visits abroad 3w
Prime Minister, Virgin Rail 3w
Road signs, Greater London 14w
Supermarkets, Planning permission 15w
Tibet, Human rights 172w
Wind power, Planning permission 461w

Colman, Mr Tony
Questions
Heathrow Airport, Air traffic control 307w
Heathrow Airport, Aircraft noise 566w
London airports, Passengers 565–6w
Music therapy, Ministerial duties 234w

Colombia
Arms trade 132w, 409w
Ministers' visits abroad 144w

Colvin, Mr Michael
Debates etc.
Agriculture (26.10.98) 97, 104, (04.11.98) 949
Economic situation, Russia (27.10.98) 248
Questions
European Community Humanitarian Office, Finance 581w
European fighter aircraft 541
Gibraltar 543w
Kashmir, Peace negotiations 149
Monetary compensatory amounts 614w
National Air Traffic Services, Joint public-private sector ventures 457w
Royalties, Art works 372w
Territorial Army 344w
Western European Union 472w

Combined heat and power
Grangemouth 324w

Commemorative coins
Act of Union 1800 695w

Committee on Standards in Public Life
Welsh Office 611w

Common agricultural policy
Euro 426–7w

Common fisheries policy
427w

Commonwealth Development Corporation
External financing limits 450w
Privatisation 301w

Commonwealth of Independent States
Arms trade 414–5w

Community care
622w

Community councils
Elections 6–7w
Wales 6–7w

Community development
167–9w

Community hospitals
171w, 423–4w
Hospital beds 424w

Community Legal Service
678

Community policing
9–10, 46w, 118w, 183–4w

Community service orders
239–40w

Companies
Fraud 194w
Government assistance 451

Competitiveness UK initiative
285w

Compulsory purchase
106w

Computer privacy
495w

Computers
Dept of Social Security 646–7w
Immigration and Nationality Directorate 50–1w, 116w
Social Security Contributions Agency 603–6w, 647–8w

Concessionary fares
New deal for young people 229–30w
Pensioners 566w
School transport 231w

Concessionary television licences
335
Blind 322w

Concorde
Air force bases 111w

Conditional fee agreements
675–6

Conditions of employment
Higher education teachers 64w
Vocational training 519–20w

Conduct of Referendums Bill 1997/98
Debates etc.
1R (03.11.98) 714–5

Conflict of interests
Nature Conservancy Council for England 457w

Congenital abnormalities
MMR vaccine 617w

Connarty, Mr Michael
Debates etc.
Economic policy (03.11.98) 701
Questions
Combined heat and power, Grangemouth 324w
Economic situation 683w
Languages education, Scotland 662

Connex Rail
Rolling stock 574–5w

Consumer protection
Auctions 373w
Marketing 189–90w
Sales promotions 373w

Contracts for services
Vocational guidance 657w

Contributions Agency
see Social Security Contributions Agency

Convention on International Trade in Endangered Species
Elephants 645–6w

Convention on the Civil Aspects of International Child Abduction
159w

Convictions
Obscene Publications Act 1959 387w

Cook, Frank
Debates etc.
Army (28.10.98) 377–81, 385

Cook, Rt Hon Robin, Secretary of State for Foreign and Commonwealth Affairs
Debates etc.
Intelligence services (02.11.98) 578–84, 588
Iraq, Ministerial statements (03.11.98) 703–13
Questions
Argentina, Foreign relations 149–51
Chile, Foreign relations 140–1
EC enlargement 141–2w, 145–7
Government Communications Headquarters, Civil service recruitment 603w
Kosovo 139–40
Lockerbie, Bombings 142w, 152–4
Ministers' visits abroad, Foreign and Commonwealth Office 145–6w
Pinochet, Augusto 141–2, 150–1

Cooper, Ms Yvette
Debates etc.
Economic situation (04.11.98) 880, 884–5
Intelligence services (02.11.98) 609–13

Copyright
Electronic publishing 372–3w

Corbett, Mr Robin
Questions
Cyprus 542–3w
Eye tests, Afro-Caribbeans 294w
Gambia, Human rights 80w
Vocational training, Handicapped 170w

Corbyn, Mr Jeremy
Debates etc.
Points of order intervention (27.10.98) 157
Questions
Antarctic Treaty 637w
Bahrain, Human rights 413w
British Sky Broadcasting, Manchester United Football Club 372w
Brunei, Human rights 412w
Bus services, Privatisation 642w
Climate Change Convention 642–3w
Climate Change Convention, UK delegations 643w
Democratic Republic of the Congo, Human rights 412w
Kurds, Peace negotiations 412–3w
Pensioners, Population studies 647w
Political refugees, Immigrant detainees 17–8
Procurement, USA 129w
Road traffic control, Central London 642w

Corbyn, Mr Jeremy—continued
Trident submarines 350–1w

Cormack, Sir Patrick
Debates etc.
Agriculture (04.11.98) 946
Questions
Business questions 472–3
House of Commons procedure 553–4

Cornwall
EC grants and loans 447

Coroners
240w

Corporation tax
Shipping 42w
Tax harmonisation 448w, 1000

Corston, Jean
Debates etc.
Police, Racial discrimination (04.11.98) 814–7
Questions
Sierra Leone, International conferences 145w
Working families tax credit 687w

Cotter, Mr Brian
Questions
Electricity supply industry, Millennium compliance 131w
Euro, Publicity 131w
Local authorities, Millennium compliance 10w
Millennium compliance 450
Small businesses, Debts 371–2w
Training and enterprise councils, Expenditure 12w, 234–5w
Warehouse parties, Death 176–7w

Council house sales
Wales 555w

Council house transfers
Scotland 483w

Council housing
Property transfer 305–6w
Scotland 673
Tower Hamlets 305–6w

Council housing finance
259–60w

Council of Europe
475w

Council of Ministers
276–82w

Council tax
Second homes 9w

Councillors
Access to work programme 404w
Local government reform 567w
Women 643–4w

Countryside stewardship scheme
296–7w
Dorset 297w

County courts
Telford 337–8w

Courts
Complaints 159–60w
Rural areas 331–2w

Courts martial
Air force 19w

Cousins, Mr Jim
Debates etc.
Economic policy (03.11.98) 702
International economic policy (02.11.98) 570

Cousins, Mr Jim—continued
Questions
Economic forecasting 1006–7
Exports, North East region 444
World economy 684w

Cox, Mr Tom
Debates etc.
Cyprus (28.10.98) 257–8
Questions
Agency nurses, Greater London 291–2w
Albania, Children 581w
Albania, Overseas aid 200–1w
Armed forces punishment 354w
Arms trade, Turkey 17w, 221w
Cycling, Road safety 163w
Defence land 221w
Ethnic minorities, Government grants to local authorities 653–4w
Farms, Industrial accidents 560w
Sudan, Overseas aid 300–1w
Turkey, Human rights 541w

Creutzfeldt-Jakob dementia
294–5w, 532–6w

Cricket
Wales 627w

Crime
45w
Firearms 119w

Crime and Disorder Act 1998
Questions
375w

Crime prevention
Motor vehicle theft 498w
Pilot schemes 8–9

Crime victims
Intimidation 61–2w

Crimes against property
Fox hunting 110w

Crimes of violence
Drumcree 243w
Northern Ireland 215w, 366–7w
Religious discrimination 239w, 373–4w

Criminal injuries compensation
502–5w, 655w

Criminal Injuries Compensation Board
Police records 504–5w
Public appointments 502–3w

Criminal investigation
Judiciary 476w

Criminal Justice (Terrorism and Conspiracy) Act 1998
Questions
114–5w, 489–90w

Criminal proceedings
Juries 497w

Criminal records
Armed forces recruitment 219w
Disclosure of information 54w, 179w

Crops
76w
Genetically modified organisms 105w, 452w, 570w, 661–2w

Crown Proceedings Act 1947
Questions
545

Crown Proceedings (Armed Forces) Act 1987
Questions
545

Crown Prosecution Service
Cash limits 299w

Crown Prosecution Service Review
540–1w

Cryer, Mrs Ann
Debates etc.
Industrial health and safety (04.11.98) 795–7

Cryer, Mr John
Debates etc.
Business questions (05.11.98) 1028
Questions
Business questions 467

Cuba
Diplomatic relations 172w
Ministers' visits abroad 585w

Cullen Inquiry
see Dunblane School Inquiry

Cumbria
Supermarkets 15w
Wind power 461w

Cunliffe, Mr Lawrence
Debates etc.
Agriculture (03.11.98) 782–3
World Trade Organisation, Environment protection (28.10.98) 279–81

Cunningham, Rt Hon Dr Jack, Minister for the Cabinet Office
Questions
Cabinet Office, Cash limits 400–1w
Civil servants, Ethnic minorities 671w
Drug abuse, Health education 558w
Drug abuse, Industrial health and safety 176w, 188w
Ethnic minorities, Cabinet Office 666–70w
Government departments, Performance standards 150w
People's Panel 245–6w
Public appointments, Cabinet Office 671–3w

Cunningham, Mr Jim
Questions
Biodiversity 255–6w
Breast feeding 680–1w
Class sizes 231–2w
European Convention on Human Rights 578w
Exhaust emission controls 257w
Health service staff, Stress related illnesses 682w
New deal for young people, Concessionary fares 229–30w
Osteoporosis 681w
Public transport, West Midlands 257w
Railway freight transport, West Midlands 256w
Sierra Leone, Peace negotiations 637w
Sudan, Overseas aid 630w

Cunningham, Ms Roseanna
Debates etc.
Territorial Army, Black Watch (28.10.98) 295–7
Questions
Government buildings, Foreign and Commonwealth Office 543–5w

Curfews
Children 9–10

Currencies
269–70w

Curriculum
Citizenship 529w
Reading 100w

Curry, Rt Hon David
Debates etc.
Agriculture (26.10.98) 89–91, 102

Curry, Rt Hon David—continued
European Parliamentary Elections Bill, Lords amendts (27.10.98) 170–1, 188–91, 206–7

Curtis-Thomas, Ms Claire
Questions
Driving tests 7w

Custodial treatment
Young offenders 385w

Customs and Excise
South East region 689–90w

Cycling
Road safety 163w

Cyprus
(28.10.98) 251–71, 542–3w
Military aircraft 541–2w
Missing persons 148–9w
UN resolutions 147–50w

Czech Republic
Political refugees 51w

Dafis, Mr Cynog
Debates etc.
Agriculture (04.11.98) 943
Questions
Agriculture, Wales 610w
Alternative energy 445–6
Film industry, Multilateral Agreement on Investment 197w
Local government finance, Wales 327–9w
Meat, Supermarkets 858–9
Multilateral Agreement on Investment 132w
Multilateral Agreement on Investment, Developing countries 132–3w
Multilateral Agreement on Investment, Regional development agencies 132w, 246w
Primary education, Wales 613w
Welsh Development Agency, Multilateral Agreement on Investment 89w

Dalyell, Mr Tam
Debates etc.
Army (28.10.98) 360
Questions
Army in Northern Ireland, Prisoners 210w
Bovine spongiform encephalopathy, Compensation 620w, 662w
Bovine spongiform encephalopathy, Departmental correspondence 216w
Coal mining, Industrial diseases 509–10w
Engineering industries, Libyan Arab Republic 459–60
Fletcher, Yvonne, Police deaths on duty 47w
Lockerbie, Bombings 152
Negligence 539w
Sudan, Bombings 140–1w
Sudan, Chemical weapons 19w
Sudan, Health aid 403w, 582w

Darling, Mr Alistair, Secretary of State for Social Security
Debates etc.
Social security reform, Ministerial statements (28.10.98) 339–55
Questions
Social security benefits, Expenditure 30w
Social Security Contributions Agency, Computers 603–6w
Social security reform 172–3w

Data Archive
226w

Data banks
Land use 455–6w

Data Protection Act 1998
Questions
58w

Davey, Mr Edward
Debates etc.
Economic policy (26.10.98) 49–51, 69–73
Economic situation (04.11.98) 883–4, 918–22, 927
Questions
Bank of England 999

Davey, Mrs Valerie
Questions
Schengen Agreement 501w

Davidson, Mr Ian
Questions
Agricultural subsidies, Scotland 593w
Electoral register, Scotland 671
Personal pensions, Misrepresentation 685w
Taxation, Football 1001

Davies, Rt Hon Denzil
Questions
Health services, Wales 612w

Davies, Mr Geraint
Debates etc.
Economic policy (26.10.98) 24, 39, 70, (03.11.98) 695
Economic situation (04.11.98) 879, 909–11, 916
Questions
Police pensions, Early retirement 7

Davies, Mr Quentin
Debates etc.
Economic situation (04.11.98) 928
Personal pensions, Misrepresentation (03.11.98) 720–1, 731–2, 745, 753
Social security (28.10.98) 354–5

Davies, Ron
Treasury Solicitor's Dept 541w

Davies, Rt Hon Ron, Secretary of State for Wales until October 27 1998
Debates etc.
Ministerial resignations, Members' personal statements (02.11.98) 575–6
Questions
Community councils, Elections 6–7w

Davis, Rt Hon David
Debates etc.
Intelligence services (02.11.98) 597, 606–9

Dawson, Mr Hilton
Debates etc.
Adoption (League Tables) Bill, 1R (27.10.98) 160–2
Agriculture (26.10.98) 103, 117–8, (04.11.98) 936
Safeguards against Abuse of Children Living Away from Home Review (05.11.98) 1018–9

Day, Mr Stephen
Debates etc.
Oral question time intervention (28.10.98) 336
Questions
Territorial Army 343w
Unemployment 336

Day care of children
175w, 658w
National Assembly of Wales 612–3w

Deaf
Juries 324w

Dean, Mrs Janet
Questions
Information society initiative 287w

Death
Cancer 483w
Heart diseases 341w
Paracetamol 187w
Warehouse parties 176–7w
Young people 295w

Death rate
689w

Debts
Developing countries 582–3w, 630w, 693w
Small businesses 371–2w
World War I 226w

Deeside
Apprentices 89w

Deeside industrial park
Railway stations 6w

Defence Analytical Services Agency
British Aerospace 21w, 509w

Defence equipment
Germany 151–2
Millennium compliance 548–9

Defence Estate Organisation
Performance standards 439–40w

Defence Export Services Organisation
Operating costs 205w

Defence industries
Diversification 348w, 628w
Scotland 593–4w
Trade fairs 129w

Defence Intelligence and Security Centre
446w

Defence land
221w
Land reclamation 18w
Portsmouth 357–8w

Defence Pay and Personnel Agency
see Pay and Personnel Agency

Defence procurement
Antitank missiles 354w
BOWMAN combat radio system 348w, 552–3
Nuclear weapons 20w

Defence Secondary Care Agency
Finance 344–5w
Performance standards 351–2w

Democratic Republic of the Congo
Human rights 412w, 580–1w

Demonstrations
Drumcree 211w, 327–8

Denham, Mr John, Minister of State, Dept of Social Security
Questions
Dept of Social Security, Sanitation 606w
Housing benefits, Social security abuse 31w
Incapacity benefit, Social security abuse 390–1w
Income support, Mortgages 92–3w
Occupational pensions 649–50w
Pensioners, Income support 27w
Pensioners, Personal income 25–6w, 392w, 547–8w
Pensioners, Population studies 647w
Pensioners, Social security benefits 647–8w
Pensions review 392w
Retirement pensions, Age addition 547w
Retirement pensions, British residents abroad 27w, 266w, 391–2w
Retirement pensions, Social security benefits uprating 27w

Denham, Mr John—continued
Retirement pensions, Social security payments 31w, 95w
Social conditions, Dept of Social Security 394w
Social security abuse 264w
Social security abuse, Prosecutions 263–4w
State earnings related pension scheme, Widows 554w

Denham Ministerial Group
see Ministerial Group on Older People

Dental services
Scotland 323w

Departmental coordination
Animal welfare 401w

Departmental correspondence
Bovine spongiform encephalopathy 216w
North Middlesex Hospital 423w
River Dart 575w

Deportation
Illegal immigrants 654w
Prisoners 120–2w

Dept for Culture Media and Sport
Cash limits 321w
Ministerial duties 320w
Public appointments 320–2w, 467–72w, 627w
Public expenditure 466w
Reviews 316w

Dept for Education and Employment
Cash limits 408–9w
Public appointments 515–8w

Dept for International Development
Cash limits 449–50w
Civil service manpower 5w
Public appointments 203–4w

Dept for the Environment Transport and the Regions
see Dept of the Environment Transport and the Regions

Dept of Health
Cash limits 422–3w
Social conditions 423w

Dept of Social Security
Air travel 547w
Computers 646–7w
Sanitation 606w
Social conditions 394w

Dept of the Environment Transport and the Regions
Business interests 250w
Cash limits 463–5w
Ministers' visits abroad 160w
Official cars 163w
Public appointments 253–4w
Social conditions 312w

Dept of Trade and Industry
Cash limits 370–1w
New deal schemes 24–5w
New Millennium Experience 368w
Public appointments 194w
Social conditions 585w

Derbyshire
Social security recipients 396–8w

Deregulation initiative
Business 452–3

Derelict land
Housing construction 639w

Developing countries
AIDS 583w
Arms trade 579–80w
Debts 582–3w, 630w, 693w

Developing countries—continued
Economic situation 202w
Female circumcision 299–300w
HIV infection 583w
Microcredit programmes 581–2w
Multilateral Agreement on Investment 132–3w, 202–3w
Security 580w
World economy 583w
World Trade Organisation 4w

***Dewar, Rt Hon Donald**, Secretary of State for Scotland*
Questions
Agriculture, Scotland 668–9
Business, Government assistance 663
Combined heat and power, Grangemouth 324w
Defence industries, Scotland 593–4w
Economic growth, Scotland 477w
Economic policy, Scotland 665
Economic situation, Scotland 663–4
Employment opportunities, East Lothian 669
Employment opportunities, Scotland 665, 668
"Government Expenditure and Revenue in Scotland 1997–98" 633w
Highlands and Islands Enterprise 664–5
Hotel and catering industry, Scotland 631w
Parliamentary questions, Administrative delays 326w
Public appointments, Scottish Office 323w
Public expenditure, Scotland 478w
Public sector pay, Scotland 482w
Regional selective assistance, Scotland 324w, 664
Safeguards against Abuse of Children Living Away from Home Review, Scotland 634–5w
Scottish Environment Protection Agency, Annual reports 633w
Scottish Office, Cash limits 324–6w
Unemployment, Scotland 665–6

Diabetes
Driving licences 9w
Medical equipment 70–1w

Digital television
198w, 318–9w
Air pollution 24w

Diplomatic relations
Cuba 172w

Diplomatic service
USA 275–6w

Dir90/220/EEC
661w

Dir93/104/EC
(27.10.98) 213–41

Dir94/33/EC
(27.10.98) 213–41

Direct taxation
Tax harmonisation 242w

Director of Public Prosecutions
see Crown Prosecution Service

Disability living allowance
32w, 395–7w
Benefit integrity project 549–50w
Huntingtons chorea 94w

Disability working allowance
551w

Disabled People Ministerial Group
405w

Disabled person's tax credit
91–2w, 691w

Disabled workers
Foreign and Commonwealth Office 270w

Disadvantaged
Public transport 257–8w

Disease control
Bovine spongiform encephalopathy 77w, 425w, 429w, 599–600w, 664–6w, 858

Disinfectants
23w

Dismore, Mr Andrew
Debates etc.
Cyprus (28.10.98) 260–1, 266–7
Industrial health and safety (04.11.98) 797–9
Questions
Civil Justice and Legal Aid Reform Review 680
Dept of the Environment Transport and the Regions, Cash limits 463–5w
EC Labour and Social Affairs Council 527–8w
Exservicemen, Asbestosis 545
Iran, Ballistic missiles 142–3w
Mentally disturbed offenders 44w

Dobbin, Mr Jim
Questions
Science and technology policy 285–6w

***Dobson, Rt Hon Frank**, Secretary of State for Health*
Debates etc.
Safeguards against Abuse of Children Living Away from Home Review, Ministerial statements (05.11.98) 1011–23
Questions
Dept of Health, Cash limits 422–3w
NHS, Private finance initiative 539w
North Middlesex Hospital, Departmental correspondence 423w

Dogs
Essex Police 16–7
Metropolitan Police 59w
Police 16, 374–5w

Domestic violence
330, 375w
Immigrants 374w

Donohoe, Mr Brian H
Questions
Air traffic control, Scotland 862

Dorset
Countryside stewardship scheme 297w
Non-domestic rates 461–2w
Wild boar 462w

Dounreay
Nuclear safety 135–6w
Radioactive wastes 453–4w

Drama education
Finance 64–5w, 102w

Drew, Mr David
Debates etc.
Agriculture (26.10.98) 114, 118, (04.11.98) 940, 973–4
European Parliamentary Elections Bill, Lords amendts (27.10.98) 189
Questions
Business questions 470
Tax evasion 38w

Driving licences
Diabetes 9w

Driving offences
Drug abuse 106w

Driving tests
7w

Driving tests—continued
Fees and charges 17w
Stafford 638w

Drown, Ms Julia
Debates etc.
Safeguards against Abuse of Children Living Away from Home Review (05.11.98) 1021
Questions
Debts, Developing countries 693w
Heavily indebted poor countries initiative 338–9w
Heavily indebted poor countries initiative, Nigeria 338w
Road safety 108–9w
Road traffic control, Cameras 127–8w

Drug abuse
497w
Driving offences 106w
Health education 558w
Industrial health and safety 176w, 188w

Drug crimes
International cooperation 145w

Drug treatment and testing orders
Gloucestershire 576w

Drugs
Expenditure 66–7w, 539w
Prices 66w

Drumcree
Crimes of violence 243w
Demonstrations 211w, 327–8

Dual carriageways
303w

Dubai
Foreign relations 147
Prisoners 88w

Duchess of Kent Military Hospital
347w

Dunblane School Inquiry
479w

Duncan, Mr Alan
Questions
Blood, Exports 546w
Bovine spongiform encephalopathy, Animal feed 429w
Bovine spongiform encephalopathy, Disease control 599w
Creutzfeldt-Jakob dementia 294–5w, 532–6w
Educational health services 588w
Influenza, Vaccination 677w

Duncan Smith, Mr Iain
Debates etc.
Oral question time intervention (04.11.98) 867
Social security (28.10.98) 342–4
Questions
Family credit 867
Social security abuse, Prosecutions 263–4w

Dunwoody, Mrs Gwyneth
Questions
Iran, Ballistic missiles 142–3w

Duty free allowances
447–8w

***Eagle, Angela**, Parliamentary Under-Secretary of State, Dept of Social Security*
Debates etc.
Child Support Agency (26.10.98) 132–4
Questions
Child benefit, Children in care 397–8w

Eagle, Angela—continued
Child benefit, Widows 30w
Child Support Agency 649w
Child Support Agency, West Midlands 607–8w
Day care of children 175w
Handicap benefits, Social security appeals 394–6w
Incapacity benefit, West Midlands 391w
Income support, Capital rules 173w, 395w
Income support, Mortgages 27–8w, 548w
Jobseeker's allowance, Redundancy 398–9w
Maintenance, Children 554–5w, 606–7w
Means tested benefits, Social security recipients 551w
Members' correspondence, Administrative delays 395w
New deal for lone parents 548–9w
New deal for lone parents, Chelmsford 175–6w
New deal for lone parents, Housing benefits 549w
New deal for lone parents, Income support 549w
Social security appeal tribunals 266w
Social security benefits 93–4w
Social security benefits, Political refugees 392–4w
Social security benefits, Widowers 264–5w
Social Security Benefits Agency, Members' correspondence 32w
Social security benefits rates 28–9w
Social security benefits rules 648–9w
Social security reform 552–3w
State earnings related pension scheme, Widows 553–4w
Widows benefits 176w, 265w
Widows benefits, Social security benefits uprating 29w
Winter fuel payments 33w

Eagle, Maria
Debates etc.
Economic policy (26.10.98) 22, 41, 49, 59–60
Working Time Regulations (27.10.98) 214, 224–7
Questions
Equal opportunities, Northern Ireland 326
Hillsborough Stadium Evidence Inquiry 1–2, 501–2w
Hillsborough Stadium Inquiry 502w
Police national computer 502w
Territorial Army 219w, 344w
Territorial Army, Armed forces medical services 344w
Territorial Army, Liverpool 219w
Territorial Auxiliary and Volunteer Reserves' Association 220w

Ear nose and throat
Health service staff 69w

Early retirement
Farmers 599w
Fire service pensions 7
Police 3–4, 17
Police pensions 7

East Lothian
Employment opportunities 669

EC action
Buses 15–6w
Ozone layer 573w
Political refugees 374w
Radioactive wastes 564–5w
Smoking 617w

EC aid
Fraud 581w

EC budget
243w

EC Commission
see European Commission

EC common foreign and security policy
413w

EC countries
Hill livestock allowances 215–6w
Postal services 22w
Rabies 663w

EC enlargement
141w, 142, 142w, 143, 145–7, 599w

EC environmental policy
9–10w

EC external relations
Caribbean 143w

EC external trade
Israel 541w

EC Fisheries Council
155–6w

EC Foreign Affairs Council
409–11w

EC grants and loans
447–8
Administrative costs 160–2w
Berwick upon Tweed 284w
Cornwall 447
Merseyside 447
North West region 288w
Scotland 96w
Staffordshire 585w
Wales 609w

EC institutions
Members' travel 225w

EC internal trade
Referendums 59w

EC Labour and Social Affairs Council
527–8w

EC labour policy
343w

EC law
Beaches 453w
Channel Islands 654w
Genetically modified organisms 151–2w
Part-time employment 286–7w
Working hours 368w, 624w

EC Social Charter
Trade competitiveness 451–3

EC transport policy
Agenda 2000 143–4

Economic and monetary union
456–7, 685–6w, 864–6, 1003–4
Agricultural subsidies 664w
Publicity 686w

Economic and Social Committee
Overseas aid 3–4w

Economic forecasting
39–40w, 862–4, 866, 870, 1006–7

Economic growth
44w, 91w, 683w
Scotland 477w

Economic policy
(26.10.98) 22–80, 867, 997–9
Ministerial statements (03.11.98) 681–702
Scotland 665

Economic situation
683w, 687w, 996, 1002–3, 1009–10
Coastal areas 24w
Developing countries 202w
Northern Ireland 208w, 324

Economic situation—continued
Opposition days (04.11.98) 877–933
Russia (27.10.98) 242–50
Scotland 663–4

Edmonton
Recycling 638w

Education
Armed forces dependants 347w
Travelling people 233w

Educational aid
Uganda 203w

Educational finance
Hereford and Worcester 588–9w
Scotland 479w

Educational health services
588w

Educational maintenance allowance
529w

Educational psychology
Pay 232w

Educational standards
101w
Children in care 235–6w
National vocational qualifications 100w
Northern Ireland 323
Scotland 667

Edwards, Mr Huw
Debates etc.
Agriculture (26.10.98) 106–8
Questions
Beef, Exports 857–8
Floods, Wales 629w
Gwent Tertiary College 557–8w
Train operating units, Performance standards 571w

Edwards review
see Channel Islands and Isle of Man Financial Regulation Review

Efford, Mr Clive
Debates etc.
Police, Racial discrimination (04.11.98) 810–2
Questions
Criminal injuries compensation 502–5w

Eight minutes rule
Speaker's rulings and statements (05.11.98) 1032

Elderly
Annuities 689w

Elections
Community councils 6–7w

Electoral reform
867–8

Electoral register
178w, 499w
Scotland 671

Electoral systems
(05.11.98) 1032–113
European Parliament elections 866–7
Publicity 669–71
Referendums 329
Scottish Parliament 669–71

Electricity
Imports 139w

Electricity supply industry
Millennium compliance 131w

Electricity tariffs
285w

Electromagnetic interference
Health hazards 99w, (29.10.98) 530–8, 586w

Electronic publishing
Copyright 372–3w

Elephants
Convention on International Trade in Endangered Species 645–6w

Ellman, Mrs Louise
Debates etc.
Economic policy (03.11.98) 697
Questions
Blood transfusion services, Liverpool 677–8w
Drugs, Expenditure 66–7w
Drugs, Prices 66w
Investment, Small businesses 1010

Emergency calls
67–8w

Emery, Rt Hon Sir Peter
Debates etc.
Economic policy (03.11.98) 695–6
Intelligence services (02.11.98) 580, 591–2
Iraq (03.11.98) 709–10

Employment
Immigration controls 119w

Employment opportunities
Brewing industry 458
East Lothian 669
Handicapped 657–8w
Scotland 665, 668
Small businesses 455–6
Transport costs 668

Employment protection
Treasury 341w

Empty property
Armed forces housing 223w

Energy conservation
Finance 458w
Lighting 161w, 460–1w

Energy consumption
254w, 583–4w

Engineering industries
Libyan Arab Republic 459–60

English Nature
see Nature Conservancy Council for England

Ennis, Mr Jeff
Debates etc.
Army (28.10.98) 388–9
Questions
Agenda 2000, South Yorkshire 143–4
Office for Standards in Education 518w
Town and country planning, Environmental impact assessment 169w

Entry clearances
142w, 376–84w, 409w

Environment protection
Coastal areas 8w
Limestone 258w
Ministerial duties 644–5w
Seas and oceans 7–8w
Tibet 14w
World Trade Organisation (28.10.98) 272–94

Environment Transport and Regional Affairs Select Committee
London Underground 259w

Environmental health
Wales 609w

Environmental impact assessment
International organisations 236–7w
Town and country planning 169w

Environmental Stakeholders Forum
13w

Environmentally sensitive areas
561–2w

Equal opportunities
Northern Ireland 326–7

Essex
Police grant 121w
Political refugees 51w, 71–2w
School admission 405w

Essex Police
Dogs 16–7

Etherington, Bill
Questions
Dept for Education and Employment, Cash limits 408–9w
Health hazards, Spitting 678w

Ethnic minorities
Armed forces recruitment 344w, 545–6
Cabinet Office 666–70w
Civil servants 671w
Government grants to local authorities 589w, 653–4w
Greater London 653–4w
Lord Chancellor's Dept 659–60w
Magistrates 332w
Territorial Army 546
Young offenders 237–9w

Euro
Common agricultural policy 426–7w
Publicity 131w, 171–2w

European Central Bank
339–40w
Prices 683w

European Charter for Regional or Minority Languages
602–3w

European Commission
143–4w

European Communities
see also EC headings

European Communities
Members 362w
Publications 171w

European Community Humanitarian Office
Finance 4w, 581w

European Convention on Human Rights
578w

European fighter aircraft
540–1

European Human Rights Foundation
138

European Parliament
House of Commons 554

European Parliament elections
Electoral systems 866–7

European Parliamentary Elections Bill 1997/98
Debates etc.
Lords amendts (27.10.98) 163–212

European Social Fund
99–100w

Evans, Mr Nigel
Questions
Business, Deregulation initiative 452–3
Business questions 470
Exchange rates, Wales 856–7
Floods, Wales 269w
Police, New deal for young people 13

Ewing, Mrs Margaret
Questions
Armed forces housing, Empty property 223w
Armed forces housing, Property transfer 222w
Armed forces housing, Rents 222w
Armed forces housing, Scotland 221–3w
Armed forces housing, Tenant eviction 222w
Autism 619w
Autism, Children 225w, 295w
Chemical and biological warfare, Treaties 110–1w
Crime victims, Intimidation 61–2w
Government buildings, Foreign and Commonwealth Office 80–1w, 543–5w
Joint Committee on Vaccination and Immunisation 619w
MMR vaccine 617–8w
MMR vaccine, Autism 224–5w, 631w
MMR vaccine, Congenital abnormalities 617w
MMR vaccine, Scotland 225w
NHS trusts, Scotland 482w

"Excellence for All Children Consultation Paper"
591–2w

Exchange rates
43–4w, 90w, 684w
Manufactured exports 286w
Wales 856–7

Excise duties
Cars 692–3w
Shopping 36–7w
Smuggling 36–7w

Exhaust emission controls
257w

Explosives
Brecon 356w
Theft 356w

Export controls
282–3w

Export credit guarantees
Arms exports 192w, 584w

Export of live animals
Horses 562w

Export promotion
Chile 288w
Latin America 369–70w

Exports
275w
Beef 857–8, 869
Blood 546w
North East region 443–4
OECD countries 91w

Exservicemen
Asbestosis 545
Compensation 221w

External financing limits
Commonwealth Development Corporation 450w
Post Office 192w
Water companies 224w

Extradition
Spain 117w

Eye disorders
Wales 557w

Eye tests
Afro-Caribbeans 294w

Fabricant, Mr Michael
Debates etc.
International economic policy (02.11.98) 571
North American Free Trade Area (Parliamentary Commission) Bill, 1R (29.10.98) 473
Questions
Hillsborough Stadium Inquiry 2–3
National Lottery 196–7w
Standing Committee on Regional Affairs 556

"Fair Funding Improving Delegation to Schools Consultation Paper"
515w

"Fairness at Work White Paper"
284–5w, 460, 623w

Falkland Islands
Armed forces catering services 356w
Fisheries 80w, 545w
Sovereignty 275w, 628w

Families
494w

Family credit
867

Family Law Act 1996
Questions
476–7w

Family planning
Overseas aid 302w

Fares
London Transport 574w

Farm incomes
560w
Income tax on fluctuating incomes 615–6w
Wales 611w

Farmers
Age 429–30w
Early retirement 599w
Loans 559w
Suicide 341–2w
Wales 610w, 857

Farms
Furs 427w
Industrial accidents 560w

Fatchett, Rt Hon Derek, Minister of State, Foreign and Commonwealth Office
Questions
Atkinson, George 88w, 147
Bahrain, Human rights 413w
British Council 602w
British embassies, Closures 274–5w
Brunei, Human rights 412w
Chile, Scouts and guides 602w
Choephel, Ngawang 545w
Entry clearances 142w, 409w
Exports 275w
Fernandes, Edgar 271w, 273w
Foreign and Commonwealth Office, Access to buildings 78w
Foreign and Commonwealth Office, Cash limits 413–4w
Foreign and Commonwealth Office, Missing persons 273w
Government buildings, Foreign and Commonwealth Office 80–1w, 275w, 414w, 543–5w
Immigration, Members' correspondence 148w
Immigration applications 546w
India, Foreign relations 148w
India, Visas 135–6
Indonesia, Politics and government 144w

Fatchett, Rt Hon Derek—continued
Institute of Export 142w
Iran, Ballistic missiles 142–3w
Kashmir, Human rights 270–1w
Kashmir, Peace negotiations 148–9
Kurds, Peace negotiations 412–3w
Laos, Human rights 602w
Members' correspondence, Administrative delays 78w
Middle East, Peace negotiations 141w
Rushdie, Salman 198–9w
Sudan, Armed conflict 136–7
Sudan, British embassies 79w
Taiwan, Temporary immigrants 271w
Tibet 199w
USA, Diplomatic service 275–6w
Visas 636–7w

Fearn, Mr Ronnie
Questions
Accident and emergency departments 676w
Airlines, Government assistance 643w
Bus services, Greater London 643w
Manchester Airport, Foreign tourists 314w
Smoking, EC action 617w
Tobacco, Agricultural subsidies 637–8w

Federalism
International conferences 637w

Female circumcision
Developing countries 299–300w

Fernandes, Edgar
271w, 273w

Festivals and special occasions
Speaker's rulings and statements (04.11.98) 871

Field, Rt Hon Frank
Debates etc.
Social security (28.10.98) 346
Questions
Disability living allowance, Benefit integrity project 549–50w
Disability working allowance 551w
Handicap benefits 551–2w
Handicap benefits, Availability for work 550–1w
Handicapped, Employment opportunities 657–8w
Hillsborough Stadium Inquiry 3
Incapacity benefit 553w
Means tested benefits, Social security recipients 551w
Severe disablement allowance 552w
Social security abuse 264w
Social security reform 552–3w

Film industry
563w
Multilateral Agreement on Investment 197w
Scotland 673–4

Financial institutions
684w

Financial Regulation Review of the Channel Islands and Isle of Man
see Channel Islands and Isle of Man Financial Regulation Review

Financial services
Codes of practice 1008
Regulatory systems 1000

Fire engines
240w

Fire prevention
Building regulations 452–3w
Historic buildings 563w

Fire service pensions
Early retirement 7

Fire services
Industrial disputes 54w
Standard spending assessments 383–4w

Firearms
Compensation 179–80w
Crime 119w
Licensing 499w
Royal Ulster Constabulary 487–8w

Fires
Supermarkets 505w

Firing ranges
Shoeburyness 550

Fiscal policy
39w

Fish conservation
Salmon 73–4w

Fish diseases
Salmon 223–4w

Fish farming
Salmon 75w
Scotland 75–6w

Fisheries
Falkland Islands 80w, 545w
Scotland 480w

Fishing
Salmon 75w

Fishing catches
660w
Salmon 74w, 151–2w, 190w

Fishing limits
427w

Fitzpatrick, Jim
Questions
Greater London Authority, Buildings 10w

Flags
Northern Ireland 485–7w

Fletcher, Yvonne
Police deaths on duty 47w

Flight, Mr Howard
Questions
Territorial Army 344w
Withholding tax 328–9

Flint, Caroline
Questions
Economic situation 683w

Flood control
South West region 298w

Floods
Wales 269w, 629w, 859–60

Flynn, Paul
Questions
Albania, Overseas aid 448–9w
Analgesics, Prescriptions 196w
Breast cancer, Screening 70w
Child benefit, Widows 30w
Council of Europe 475w
Driving offences, Drug abuse 106w
Drug abuse 497w
Drug abuse, Health education 558w
Drug abuse, Industrial health and safety 188w
Drugs, Expenditure 539w
Holloway Prison, Prison riots 1?0w
Industry, Interest rates 286w
Languages education 590w
National Insurance Fund 31w
Paracetamol 296w
Paracetamol, Death 187w
Pensioners, Income support 27w

Flynn, Paul*—*continued
Pregnancy 679w
Prisoners, Prescription drugs 119–20w
Prisoners, Tranquillisers 59–60w
Retirement pensions, Social security benefits uprating 27w
Social security benefits rates 28–9w
State earnings related pension scheme, Tax allowances 42–3w
Statistics 684w
Widows' benefits, Social security benefits uprating 29w

Follett, Barbara
Questions
Antenatal care 536w
Medical Research Council 624–5w

Food
Genetically modified organisms 151–2w, 170w

Food Related Scientific Services in Scotland Review Group
635w

Food Standards Agency
336

Football
Taxation 1000–1
Television 315w, 369w

Force Research Unit
Northern Ireland 446w

Foreign and Commonwealth Office
Access to buildings 78w
Cash limits 413–4w
Disabled workers 270w
Government buildings 80–1w, 275w, 414w, 543–5w
Ministers' visits abroad 145–6w
Missing persons 273w
Official visits 147–8w
Public appointments 271–3w

Foreign investment in UK
133–4w
Northern Ireland 675w
South Down 596w

Foreign policy
China 2w

Foreign relations
Argentina 80w, 149–51
Chile 140–1, 150
Dubai 147
Germany 151
India 148w
USA 143w

Foreign tourists
Manchester Airport 314w

Forensic science
46w

Foresight programme
584w

Forsythe, Mr Clifford
Questions
Railway network, Northern Ireland 33w

Forth, Mr Eric
Debates etc.
Animal quarantine, Pets (29.10.98) 479–80, 500–3, 517
Economic policy (03.11.98) 695
Electoral systems (05.11.98) 1034
European Parliamentary Elections Bill, Lords amendts (27.10.98) 166
Members' speeches, Points of order (05.11.98) 1050
Press freedom, Points of order (02.11.98) 577

Forth, Mr Eric*—*continued
Questions
India, Visas 135–6
Pinochet, Augusto 635w
Police, Early retirement 3–4
Political refugees, Government grants to local authorities 537w
Rabies, EC countries 663w
Sainsbury of Turville, Lord 134w

Foster, Rt Hon Derek
Debates etc.
Agriculture (26.10.98) 86
Questions
Intelligence and Security Committee, Annual reports 241w
Manufacturing industries, Redundancy 331–2

Foster, Mr Don
Debates etc.
School population (04.11.98) 836

Foster, Mr Michael John, (Worcester)
Questions
Argentina, Foreign relations 149–50
Economic and monetary union 866
Educational finance, Hereford and Worcester 588–9w
Pigs 665w

Fowler, Rt Hon Sir Norman
Debates etc.
European Parliamentary Elections Bill, Lords amendts (27.10.98) 163, 174–81, 205
Intelligence services (02.11.98) 641–5, 649
Pinochet, Augusto, Points of order (27.10.98) 155, (28.10.98) 356
Questions
Police, Manpower 15–6
Political refugees 18

Fox, Dr Liam
Debates etc.
Electoral systems (05.11.98) 1039–44, 1047
Questions
Beef, Scotland 672
Economic policy, Scotland 665
National Assembly of Wales 861
Unemployment, Scotland 665–6

Fox hunting
Crimes against property 110w
Railway accidents 108w

France
Air transport 571w

Fraser, Mr Christopher
Debates etc.
Business questions (05.11.98) 1029
Electoral systems (05.11.98) 1089–90
Questions
Monetary Policy Committee 686–7w

Fraud
Civil service agencies 212–4w
Companies 194w
EC aid 581w
Inventions 368w, 375w

Freehold land
Planning permission 575w, 624w

Freight facilities grant
17w, 310w

Freight transport
Inland waterways 303–4w

Fuel cells
Motor vehicles 137–8w, 302–3w

Furs
Farms 427w

Further education
Costs 526w
National Lottery 197w
Scotland 480w

Further education colleges
College governors 529w
Schools 525–6w

Future large aircraft
551–2

Fyfe, Maria
Questions
Abortion, Northern Ireland 598w
Polling stations, Access to buildings 670
Rushdie, Salman 198–9w

Fyle, Hilton
82–3w

Gaelic language
Northern Ireland 319
Scotland 661–2
Teacher training 661–2

Galbraith, Mr Sam, Parliamentary Under-Secretary of State, Scottish Office
Questions
AIDS, Scotland 594–5w
Autism, Children 225w
Breast cancer, Radiotherapy 323w
Cancer, Prescription charges exemptions 96–7w
Clinics, Paisley 661
Dental services, Scotland 323w
Dunblane School Inquiry 479w
Film industry, Scotland 673–4
Food Related Scientific Services in Scotland Review Group 635w
Genetically modified organisms, Food 170w
HIV infection, Scotland 595w
MMR vaccine, Autism 224–5w, 631w
MMR vaccine, Scotland 225w
NHS finance, Scotland 633–4w
NHS trusts, Scotland 482w
Nursing homes, Scotland 478–9w

Gale, Mr Roger
Debates etc.
Animal quarantine, Pets (29.10.98) 490–3
Cyprus (28.10.98) 252, 255, 258–9
Questions
Badgers 432w
Children's Safeguards Review Ministerial Task Force 60–1w
Political refugees, Immigration applications 51–2w
Preventing Unsuitable People from Working with Children and Abuse of Trust Interdepartmental Working Group 60w
Turkey, Human rights 199w
Venereal diseases, Kent 419–20w

Galloway, Mr George
Debates etc.
Iraq (03.11.98) 707–8

Gambia
Human rights 80w

Gaming machines
Betting and gaming duties 42w

Gapes, Mr Mike
Debates etc.
Business questions (05.11.98) 1030–1
Economic policy (03.11.98) 689
International economic policy (02.11.98) 573
Iraq (03.11.98) 711–2

Gapes, Mr Mike—continued
Questions
BOWMAN combat radio system, Defence procurement 552–3
Business questions 468
Parliamentary recess 553
Political refugees, Immigration applications 48–9w
United Nations, Human rights 384w
Universal Declaration of Human Rights 137–8

Gardiner, Mr Barry
Debates etc.
Economic policy (26.10.98) 71, (03.11.98) 700
Economic situation (04.11.98) 903, 912, 920, 923
Leasehold valuation tribunals (28.10.98) 436–8
Questions
Defence Estate Organisation, Performance standards 439–40w
Wembley Stadium 332

Garnier, Mr Edward
Debates etc.
Animal quarantine, Pets (29.10.98) 476–7
Questions
Closed circuit television 13–4
Legal costs, Insurance 676
Territorial Army, Armed forces medical services 551

"Gateway to Work Consultation Paper" (28.10.98) 339–55

GCE A Level
527w
Physics 592–3w

Gee, Richard
1–2w

General Certificate of Secondary Education
527w

Genetic Testing Advisory Committee
625–6w

Genetically modified organisms
471–2w
Crops 105w, 452w, 570w, 661–2w
EC law 151–2w
Food 151–2w, 170w
Germany 162w
Industrial health and safety 12–3w
Licensing 570w
Oilseed rape 568–9w
Pesticides 561w
Scotland 170w
Seeds 568–9w, 661w
Waste management 451w

George, Mr Andrew
Questions
EC grants and loans 447
Multilateral Agreement on Investment 870

George, Mr Bruce
Debates etc.
Army (28.10.98) 418–23

Germany
Defence equipment 151–2
Foreign relations 151
Genetically modified organisms 162w
Interest rates 687w
Nuclear fuel reprocessing 513w
Productivity 1006

Gerrard, Mr Neil
Questions
Belmarsh Prison, Prison visits 498w
Entry clearances 409w

Gerrard, Mr Neil—continued
Police equipment 575w
Prison visits, Access to buildings 375–6w
Restraint equipment 575w
Visas 636w

Gibb, Mr Nick
Debates etc.
Economic policy (26.10.98) 74–5
Economic situation (04.11.98) 892
Questions
Agency nurses 620w
Bechtel Corporation, Jubilee line 639w
Corporation tax, Tax harmonisation 448w, 1000
Investment income, Taxation 341w
Landfill tax 342w
LG Semicon, Newport 612w
Post Office 283w
Tax avoidance 693w
Tax harmonisation, Income tax 226w, 242w

Gibraltar
85–7w, 142w, 144–5, 543w, 636w
Territorial waters 86–8w, 413w

Gibson, Dr Ian
Debates etc.
Agriculture, Regulatory systems (28.10.98) 312
Medical education (04.11.98) 846–8
Questions
Breast cancer 97w, 195w
Forensic science 46w
Gulf War syndrome 549
Local government finance 571–2w
Medical treatments 71w
Oncology, Hospital consultants 97–8w

Gill, Mr Christopher
Debates etc.
Agriculture (26.10.98) 90–1, 95, (04.11.98) 948, 951, 955
European Parliamentary Elections Bill, Lords amendts (27.10.98) 200
Working Time Regulations (27.10.98) 222–5
Questions
Bovine spongiform encephalopathy, Compensation 152w
Common fisheries policy 427w
Currencies 269–70w
European Communities, Publications 171w
Fisheries, Scotland 480w
Fishing limits 427w
Meat Hygiene Service, Veterinary medicine 600w, 663w
Monetary compensatory amounts 152–4w
Slaughterhouses, Inspections 663–4w

Gillan, Mrs Cheryl
Questions
Amnesty International 274w
British embassies, Closures 274–5w
Chile, Official visits 147w
China, Human rights 138, 274w
Disability living allowance 395–6w
Exports 275w
Falkland Islands, Sovereignty 275w
Foreign and Commonwealth Office, Government buildings 275w
Foreign and Commonwealth Office, Official visits 147–8w
Laos, Human rights 602w
Ministers' visits abroad, Dept of the Environment Transport and the Regions 160w
Ministers' visits abroad, Foreign and Commonwealth Office 145–6w
Pinochet, Augusto 81–2w, 146–7w, 274w
USA, Diplomatic service 275–6w

Gilroy, Mrs Linda
Questions
Dept of Trade and Industry, Cash limits 370–1w
Power industry, Regulatory systems 284w

Gildewell Review
see Crown Prosecution Service Review

Gloucestershire
Drug treatment and testing orders 576w
Road traffic control 177–8w

Gloucestershire Constabulary
Police pensions 7–8

Godman, Dr Norman A
Debates etc.
Army (28.10.98) 380, 388, 407–9
European Parliamentary Elections Bill, Lords amendts (27.10.98) 168, 171–2
Questions
Legal aid 678
NHS finance, Scotland 633–4w
Nursing homes, Scotland 478–9w
Parades Commission 207w
Safeguards against Abuse of Children Living Away from Home Review, Scotland 634–5w
Serco-Denholm, Shipping 347–8w

Godsiff, Mr Roger
Debates etc.
Electoral systems (05.11.98) 1061–2
Questions
Entry clearances 376–84w

Goggins, Mr Paul
Questions
Police, Performance standards 45w
Urban Task Force, Public appointments 309–10w

Golding, Mrs Llin
Debates etc.
Safeguards against Abuse of Children Living Away from Home Review (05.11.98) 1015

Golf
VAT 692w

Gorman, Mrs Teresa
Debates etc.
Agriculture (04.11.98) 944
Economic situation (04.11.98) 882
Questions
National Assembly of Wales 860
Scottish Parliament 478w

Gorrie, Mr Donald
Debates etc.
Electoral systems (05.11.98) 1078, 1096–7
Questions
Best value, Local government services 481w
Dunblane School Inquiry 479w
Land pollution, Local government finance 323–4w
Languages education, Scotland 667–8
Public sector pay, Scotland 482w
Scottish councils, Millennium compliance 484w
Taxation 993–4

Government buildings
Foreign and Commonwealth Office 80–1w, 275w, 414w, 543–5w
Nicaragua 80–1w
Slovenia 81w
Somalia 543–5w
Syrian Arab Republic 81w
Togo 80w

Government Communications Headquarters
Civil service recruitment 603w

Government contracts
367–8w

Government departments
Performance standards 150w

"Government Expenditure and Revenue in Scotland 1997–98"
633w

Government grants to local authorities
Ethnic minorities 589w, 653–4w
Political refugees 71–2w, 537w
Reception classes 227w

"Government Response to the Children's Safeguards Review"
634–5w, (05.11.98) 1011–23

Grangemouth
Combined heat and power 324w

Gray, Mr James
Debates etc.
Agriculture (26.10.98) 81–2, (04.11.98) 947
Army (28.10.98) 364, 393, 399
Electoral systems (05.11.98) 1073, 1078
Questions
Brewing industry, Employment opportunities 458
Juries, Criminal proceedings 497w
Prisoners, Television 10–1
Scottish Parliament, Electoral systems 669–70
Unemployment 687w

Great Barford bypass
640w

Great Western Trains
Performance standards 306w

Greater London
Agency nurses 291–2w
Bus services 642–3w
Ethnic minorities 653–4w
Manufacturing industries 284w
Police 15
Road signs 14w

Greater London Authority
Buildings 10w

Greater Manchester Police
Finance 47w
Manpower 4

Green, Mr Damian
Questions
European Parliament elections, Electoral systems 866–7
Manufacturing industries, Wales 855
National Lottery, Further education 197w
New deal for young people 230w, 587–8w
New deal for young people, Expenditure 531w
Parcelforce 285w
Tuition fees 526w

Green papers
Disclosure of information 188w
School Standards and Framework Act 1998 518–20w

Green pound
Compensation 424–5w

Greenway, Mr John
Debates etc.
Personal pensions, Misrepresentation (03.11.98) 719–20, 726, 749, 756, 759, 762–6
Police, Racial discrimination (04.11.98) 823–6

Greenway, Mr John*—*continued
Questions
Burglary, Prison sentences 6–7

Griffiths, Jane
Questions
Digital television 318–9w
Indonesia, Politics and government 144w
Productivity 994–5

Griffiths, Mr Nigel
Questions
Housing standards, Scotland 479w
Productivity 685w

Griffiths, Mr Win
Questions
Environmental health, Wales 609w

Grimsby
Hospital waiting lists 869–70

Grogan, Mr John
Debates etc.
Agriculture (26.10.98) 112–5

Gulf War
see Iraq–Kuwait conflict

Gulf War syndrome
549
Medical research 440w

Gummer, Rt Hon John
Debates etc.
European Parliamentary Elections Bill, Lords amendts (27.10.98) 200
Working Time Regulations (27.10.98) 213–4, 230–1, 236

Gunnell, Mr John
Debates etc.
Safeguards against Abuse of Children Living Away from Home Review (05.11.98) 1022

Gwent Tertiary College
557–8w

Hackney
Schools 101w
Theatres (05.11.98) 1115–22

Hague, Rt Hon William,
Questions
Economic forecasting 862–4
Electoral reform 867–8
Electoral systems, Referendums 329
Manufacturing industries, Redundancy 332–3

Hain, Mr Peter, Parliamentary Under-Secretary of State, Welsh Office
Questions
Aerospace industry, Wales 556w
Apprentices, Deeside 89w
Assisted areas, Wales 89w, 557w
Coal mining, Wales 613w
Deeside industrial park, Railway stations 6w
Exchange rates, Wales 856–7
Gwent Tertiary College 557–8w
Iron and steel industry, Wales 555w
Kimberly Clark, Government assistance 268–9w
LG Semicon, Newport 612w
Manufacturing industries, Wales 188w, 269w, 855
New deal/schemes, Wales 608w
New Millennium Experience, Wales 612w
Optoelectronics, Wales 268w
Primary education, Wales 613w
Redundancy, Swansea 611w
Regional selective assistance, Wales 329w
Rural Partnership for Wales 610–1w
Small businesses, Wales 855–6

Hain, Mr Peter*—*continued
Trade competitiveness, Wales 557w
Welsh Development Agency, Multilateral Agreement on Investment 89w
Welsh language, Schools 556–7w

Hall, Mr Mike, An Assistant Whip
Debates etc.
Intelligence services (02.11.98) 650

Hallmarking
Silver 370w

Hammond, Mr Philip
Debates etc.
Safeguards against Abuse of Children Living Away from Home Review (05.11.98) 1013–4
Questions
Prisoners' release, Northern Ireland 209w
Prosthetics 67w

Hampshire Constabulary
Affidavits 239w

Hancock, Mr Mike
Debates etc.
Army (28.10.98) 381–8, 415
Millennium, Portsmouth (02.11.98) 651–6, 659–60
World Trade Organisation, Environment protection (28.10.98) 283–6
Questions
Air force, Armed forces training 20w, 220w
Air force, Courts martial 19w
Air force strength 112w, 220w, 586w
Antitank missiles, Defence procurement 354w
Armed forces reserves, Insurance 205w
Army, Aircrew 354w
Army, Armed forces retirement 20w
Army Personnel Centre, Performance standards 586–7w
Defence land, Portsmouth 357–8w
Defence Secondary Care Agency, Performance standards 351–2w
Ear nose and throat, Health service staff 69w
Haslar Prison, Immigrant detainees 57w
Health service staff, Training 293–4w
Horse meat 153w
Horses, Coal mining 383w
Horses, Veterinary drugs 153–4w, 427–8w
Immigrant detainees 53w, 383w
Marines, Armed forces retirement 111–2w
Military aircraft, Spare parts 351w
Military aircraft, Tyres 112–3w
Millennium Exhibition 316w
Nuclear submarines, Health physics 19–20w, 221w, 353–4w
Political refugees 49–50w
Primary education 590–1w
Primary education, Teachers 527w
Prisoners, Deportation 120–2w
Retirement pensions, British residents abroad 27w, 266w, 391–2w
Royal Naval Air Service, Armed forces discharges 352w
Royal Naval Air Service, Armed forces training 352w
Ships Support Agency, Performance standards 204–5w
Visas 636–7w

Handicap benefits
551–2w
Availability for work 550–1w
Social security appeals 394–6w

Handicapped
Employment opportunities 657–8w
Vocational training 170w

Harman, Rt Hon Harriet,
Questions
Councillors, Women 643–4w

Harris, Dr Evan
Questions
Business questions 471
Community hospitals 171w

Harvey, Mr Nick
Questions
European Social Fund 99–100w
Housing construction, South West region 103w
Post offices, Social security payments 21w
Retirement pensions, Social security payments 95w
Skills Development Fund 236w
Sub post offices, Closures 190–1w

Haslar Prison
Immigrant detainees 57w

Hawkins, Mr Nick
Debates etc.
Army (28.10.98) 394–7, 401
Cyprus (28.10.98) 254, 260
Personal pensions, Misrepresentation (03.11.98) 716, 718, 728
Questions
Davies, Ron, Treasury Solicitor's Dept 541w
Legislature, Channel Islands 5
Mass media, Ministers' domestic visits 191w
Millennium Exhibition, Sponsorship 130w
Police, Finance 48w

Hayes, Mr John
Debates etc.
Agriculture (26.10.98) 106–7, 111, 113, 124, (04.11.98) 944, 969–70
Electoral systems (05.11.98) 1049, 1081–3, 1088, 1096–7

Heald, Mr Oliver
Debates etc.
Economic policy (26.10.98) 33

Healey, Mr John
Questions
Home Office, New deal for young people 12–3
New deal schemes, Dept of Trade and Industry 24–5w
Part-time employment, EC law 286–7w

Health
Women 624w

Health aid
Sudan 403w, 582w

Health authorities
Finance 68–9w

Health education
Alcoholic drinks 588w
Drug abuse 558w
Smoking 98w

Health hazards
Chemical weapons 617w
Electromagnetic interference 99w, (29.10.98) 530–8, 586w
Spitting 678w

Health improvement programmes
98w

Health physics
Nuclear submarines 19–20w, 221w, 353–4w

Health service staff
Ear nose and throat 69w
Resignations 296w

Health service staff*—*continued
Stress related illnesses 682w
Training 293–4w

Health services
Wales 612w

Health visitors
532w, 620w

Heart diseases
Death 341w
Hospital waiting lists 69w
Young people 68w, 295w

Heath, Mr David
Debates etc.
Agriculture (03.11.98) 780–2
Cyprus (28.10.98) 264–6
Questions
Territorial Army, Armed forces cadets 543

Heathcoat-Amory, Rt Hon David,
Debates etc.
Economic policy (26.10.98) 37–45
Economic situation (04.11.98) 921–5
Questions
EC budget 243w
Excise duties, Smuggling 36–7w
Productivity 995
Tax harmonisation, Direct taxation 242w

Heathrow Airport
Air traffic control 307w
Aircraft noise 566w

Heavily indebted poor countries initiative
338–9w
Nigeria 338w

Hedges and ditches
164–5w

Helicopters
Low flying 441–2w
Northern Ireland 441–3w

Hemp
498w

Henderson, Mr Doug, Minister for the Armed Forces
Debates etc.
Army (28.10.98) 360–7
Questions
Air force, Armed forces training 20w, 220w
Air force, Courts martial 19w
Air force strength 112w, 220w, 586w
Armed forces, Marriage 113–4w
Armed forces cadets 542–3
Armed forces cadets, Minesweepers 543
Armed forces medical services 551
Armed forces punishment 354w
Armed forces recruitment, Criminal records 219w
Armed forces recruitment, Ethnic minorities 344w, 545–6
Armed forces reserves, Insurance 205w
Army, Aircrew 354w
Army, Armed forces retirement 20w
Army Personnel Centre, Performance standards 586–7w
Astrophysics 352–3w
Chemical weapons 20–1w
Defence Intelligence and Security Centre 446w
Defence Secondary Care Agency, Performance standards 351–2w
Duchess of Kent Military Hospital 347w
Explosives, Theft 356w
Gulf War syndrome 549
Gulf War syndrome, Medical research 440w
Iraq-Kuwait conflict, Armed forces casualties 348–9w

Henderson, Mr Doug*—*continued
Irish Guards 355w
Marines, Armed forces retirement 111–2w
Military aircraft, Spare parts 351w
Military aircraft, Tyres 112–3w
Navy, Radiography 18w
Royal Irish Regiment 355–6w, 440–1w
Royal Naval Air Service, Armed forces discharges 352w
Royal Naval Air Service, Armed forces training 352w
Royal Naval Hospital Haslar 550–1
Scots Guards 354–5w
Serco-Denholm, Shipping 347–8w
Territorial Army 219w, 344w, 544–5, 548
Territorial Army, Aldershot 543–4
Territorial Army, Armed forces cadets 543
Territorial Army, Armed forces medical services 344w, 551
Territorial Army, Ethnic minorities 546
Territorial Army, Finance 587w
Territorial Army, Liverpool 219w
Territorial Army, Reigate 628w
Territorial Army, Solihull 344w
Territorial Army, Winchester 18w
Territorial Auxiliary and Volunteer Reserves' Association 220w
Welsh Guards 355w
West Indies Guardship 441w

Henderson, Mr Ivan
Debates etc.
Economic situation (04.11.98) 917
Questions
Beaches, EC law 453w
Labour Party 866
Level crossings, Railway safety 305w
Water meters 453w

Hepburn, Mr Stephen
Debates etc.
Army (28.10.98) 364

Heppell, Mr John
Questions
Small businesses, Employment opportunities 455–6

Hereford and Worcester
Educational finance 588–9w

Hereford bypass
16w

Hertfordshire
Standard spending assessments 303w
Territorial Army 548

Hesford, Mr Stephen
Questions
Health improvement programmes 98w

Hewitt, Ms Patricia, Economic Secretary to the Treasury
Debates etc.
Economic policy (26.10.98) 73–7
Economic situation (04.11.98) 925–9
Economic situation, Russia (27.10.98) 246–50
Personal pensions, Misrepresentation (03.11.98) 716–24, 734, 757, 772–7
Questions
Abortion, Barnet 186–7w
Abortion, Northern Ireland 185–6w
Annuities, Elderly 689w
Average earnings, Statistics 36w
Bank of England 685w
British household panel survey 35–6w
Cancer, Medical treatments 682–3w
Commemorative coins, Act of Union 1800 695w
Data Archive 226w
Death rate 689w
Debts, Developing countries 630w, 693w

***Hewitt, Ms Patricia**—continued*
Debts, World War I 226w
EC labour policy 343w
Economic and monetary union 685–6w, 1003–4
Economic and monetary union, Publicity 686w
Economic forecasting 39–40w
Economic growth 44w, 91w, 683w
Economic situation 687w, 1002–3, 1009–10
European Central Bank 339–40w
European Central Bank, Prices 683w
Exchange rates 43–4w, 90w, 684w
Excise duties, Cars 692–3w
Exports, OECD countries 91w
Financial institutions 684w
Financial services, Codes of practice 1008
Fiscal policy 39w
Heart diseases, Death 341w
Heavily indebted poor countries initiative 338–9w
Heavily indebted poor countries initiative, Nigeria 338w
Hydrocarbon oil duties, School transport 37w
Interest rates 37w, 1003
Interest rates, Germany 687w
Landfill tax 342w
Monetary policy 1009
Monetary Policy Committee 686–7w
National Air Traffic Services 90–1w
National savings 38w
National savings, Children 614w
Paracetamol, Death 187w
Parliamentary questions, Administrative delays 342w
Personal injury compensation, Treasury 341w
Personal pensions, Misrepresentation 685w, 1007–8
Personal savings 91w
Pregnancy 688–9w
Premium bonds 44w
Public appointments, Treasury 694–5w
Public finance 39–40w
Public sector debt 38–9w
Road tax 110w
Road tax, Lorries 37–8w, 692w
Statistics 684w
Suicide, Farmers 341–2w
Taxation, Charities 691w
UK repayments from EC budget 340w
Unemployment 338w, 687w
Unemployment, Scotland 688w
VAT, Home care services 226w, 614w, 691w
Warehouse parties, Death 176–7w
World economy 684w
Youth employment, Agricultural workers 687–8w

High technology
Small businesses 448w, 449–51

Higher education admission
65w

Higher education teachers
Conditions of employment 64w
Pay 64w

Higher still development programme
Scotland 666–7

Highlands and Islands Enterprise
664–5

Highways Agency
109w

Hill farming
Wales 629–30w

Hill livestock allowances
EC countries 215–6w

Hillsborough Stadium Evidence Inquiry
1–2, 501–2w

Hillsborough Stadium Inquiry
2–3, 502w

Hinchliffe, Mr David
Debates etc.
Safeguards against Abuse of Children Living Away from Home Review (05.11.98) 1017
Questions
World Cup, Public order policing 653w

Historic buildings
Fire prevention 563w

HIV infection
Developing countries 583w
Scotland 595w

HM Chief Inspector of Schools
see Office for Standards in Education

***Hodge, Ms Margaret**, Parliamentary Under-Secretary of State, Dept for Education and Employment*
Questions
Day care of children 658w
Disabled People Ministerial Group 405w
Handicapped, Employment opportunities 657–8w
Reception classes, Government grants to local authorities 227w
Remploy 656–7w
Sheltered employment, Finance 589w
Sure start programme 100w

***Hoey, Miss Kate**, Parliamentary Under-Secretary of State, Home Office*
Debates etc.
Police, Racial discrimination (04.11.98) 826–9
Questions
Entry clearances 376–84w
Essex Police, Dogs 16–7
European Convention on Human Rights 578w
Immigrant detainees 383w
Immigration applications 384w
Members' correspondence, Administrative delays 386w
Metropolitan Police 19–20, 115w
Metropolitan Police, Compensation 53w
Metropolitan Police, Dogs 59w
Metropolitan Police, Finance 19–20
Metropolitan Police, Land acquisition 385–6w
Police, Dogs 16
Police, Finance 497–8w
Police discipline 48w
Police equipment, Radio 11–2
Political refugees 507–8w
Political refugees, EC action 374w
Schengen Agreement 501w
United Nations, Human rights 384w
Warren, Gordon 14–5

Hogg, Rt Hon Douglas
Debates etc.
Iraq (03.11.98) 707
Working Time Regulations (27.10.98) 224, 227, 232

Holloway Prison
Prison riots 120w

Home care services
Fees and charges 538w
Inspections 538w
VAT 43w, 226w, 448w, 614w, 691w

Home detention curfews
5–6

Home improvement agencies
Finance 254–5w, 309w

Home Office
Cash limits 388–9w
New deal for young people 12–3
Public appointments 184w

Home Robertson, Mr John
Debates etc.
Agriculture (04.11.98) 948
Questions
A1, Scotland 478w
Employment opportunities, East Lothian 669

Homefirst Community HSS Trust
Northern Ireland 34–5w

Homelessness
Young people 312–3w

Homicide
Uganda 545–6w

***Hoon, Mr Geoffrey**, Minister of State, Lord Chancellor's Dept*
Questions
Civil Justice and Legal Aid Reform Review 680
Community Legal Service 678
Conditional fee agreements 675–6
Convention on the Civil Aspects of International Child Abduction 159w
County courts, Telford 337–8w
Courts, Complaints 159–60w
Courts, Rural areas 331–2w
Ethnic minorities, Lord Chancellor's Dept 659–60w
Family Law Act 1996 476–7w
Judges 616w
Judiciary, Criminal investigation 476w
Judiciary, Training 659w
Law centres 476w
Law Society 476w
Legal aid 674–5, 677–8
Legal costs, Insurance 676
Legal profession, Recruitment 475w
Lord Chancellor's Dept, Cash limits 333w
Magistrates, Ethnic minorities 332w
Magistrates, Training 332w
Magistrates' courts 678–9
Marriage guidance, Pilot schemes 477w
Parliamentary questions, Administrative delays 333w
Political refugees, Immigration appeals 237w, 676–7
Public appointments, Lord Chancellor's Dept 333–7w
Public records, Fees and charges 675
Repossession orders 659w
Solicitors, Rights of audience 475–6w

Hope, Mr Phil
Debates etc.
Working Time Regulations (27.10.98) 226
Questions
Integrated schools, Northern Ireland 323

Hormone treatments
Antibiotics 289–90w

Hormones
Meat 430–1w

Horse meat
153w

Horses
Coal mining 383w
Export of live animals 562w
Veterinary drugs 153–4w, 427–8w

Hospices
National Lottery 198w

Hospital beds
Community hospitals 424w

Hospital consultants
Oncology 97–8w

Hospital waiting lists
332, 420–1w, 540w
Grimsby 869–70
Heart diseases 69w
Mid Essex Hospital Services NHS Trust 416w
Wales 613w, 861

Hotel and catering industry
Scotland 631w
Vocational education 593w

House of Commons
European Parliament 554

House of Commons Liaison Committee
(03.11.98) 777

House of Commons Modernisation Select Committee
see Modernisation of the House of Commons Select Committee

House of Commons procedure
553–4

House of Commons reform
556–8

Housing
Young people 293w

Housing and handicapped
Building regulations 11–2w

Housing associations
Regulatory systems 640–1w
Rents 566–7w

Housing benefits
New deal for lone parents 549w
Scotland 75w
Social security abuse 31w

Housing construction
102–3w
Derelict land 639w
Northern Ireland 595–6w
South West region 103w

Housing (Home Repossessions) Bill 1997/98
Debates etc.
1R (04.11.98) 874–6

Housing standards
Scotland 479w

Howard, Rt Hon Michael
Debates etc.
Intelligence services (02.11.98) 584–8
Iraq (03.11.98) 704–5
Ministerial statements, Points of order (26.10.98) 21
Questions
EC common foreign and security policy 413w
EC enlargement 146
Falkland Islands, Fisheries 545w
Falkland Islands, Sovereignty 628w
Gibraltar, Territorial waters 413w
Organisation for Security and Cooperation in Europe, Kosovo 411–2w
Pinochet, Augusto 141–2, 601w, 635–6w

***Howarth, Mr Alan**, Parliamentary Under-Secretary of State, Dept for Culture Media and Sport*
Debates etc.
Theatres, Hackney (05.11.98) 1118–22

***Howarth, Mr Alan**—continued*
Questions
Archaeological sites, Surveys 102w
Drama education, Finance 102w
Historic buildings, Fire prevention 563w
New Forest, World heritage sites 267w
Piers 102w
Royal parks, Parking 267w

***Howarth, Mr George**, Parliamentary Under-Secretary of State, Home Office*
Debates etc.
Electoral systems (05.11.98) 1069, 1109–13
European Parliamentary Elections Bill, Lords amendts (27.10.98) 205–8
Questions
Alcoholic drinks, Children 576w
Alcoholic drinks, Young people 655w
Alternatives to prison 6
Animal experiments, Licensing 496–7w
Animal experiments, Viagra 576w
Aylesbury Young Offenders Institution 576–7w
Belmarsh Prison, Prison visits 498w
British citizenship, St Helena 655w
Burglary, Prison sentences 6–7
Channel Islands and Isle of Man Financial Regulation Review 507w
"Civil Protection", Costs 58w
Coroners 240w
Data Protection Act 1998 58w
Drug abuse 497w
Drug treatment and testing orders, Gloucestershire 576w
EC law, Channel Islands 654w
Electoral register 178w, 499w
Ethnic minorities, Government grants to local authorities 653–4w
Fire engines 240w
Fire services, Industrial disputes 54w
Fire services, Standard spending assessments 383–4w
Fires, Supermarkets 505w
Gloucestershire Constabulary, Police pensions 7–8
Hemp 498w
Holloway Prison, Prison riots 120w
Home detention curfews 5–6
Home Office, New deal for young people 12–3
Horses, Coal mining 383w
Illegal immigrants, Deportation 654w
London Fire and Civil Defence Authority, Private finance initiative 58–9w
Mentally disturbed offenders 44w
O'Neill, Diarmuid 500w
Police, New deal for young people 13
Police pensions, Early retirement 7
Political refugees 651–2w
Prison education services 47w
Prison sentences, Social security abuse 6
Prison visits, Access to buildings 375–6w
Prisoners, Prescription drugs 119–20w
Prisoners, Television 10–1
Prisoners, Tranquillisers 59–60w
Prisoners' transfers, Republic of Ireland 500w
Probation and aftercare 505w
Project Quantum 651w
Public records, Nuclear accidents 62–3w
Special category prisoners 500w
Young offenders, Custodial treatment 385w
Young offenders, Ethnic minorities 237–9w
Young offenders, Prisoners on remand 652w

Howarth, Mr Gerald
Debates etc.
Economic situation (04.11.98) 929
Electoral systems (05.11.98) 1055, 1059, 1093–4
Points of order intervention (27.10.98) 157
Questions
Menem, Carlos, Sun Newspaper 403w
Territorial Army, Aldershot 543–4

***Howells, Dr Kim**, Parliamentary Under-Secretary of State, Dept of Trade and Industry*
Questions
Alternative energy 445–6
Bankruptcy 367w
Brewing industry 458–9
Brewing industry, Employment opportunities 458
British Sky Broadcasting, Manchester United Football Club 372w
Copyright, Electronic publishing 372–3w
Disinfectants 23w
Football, Television 369w
Hallmarking, Silver 370w
Inventions, Fraud 368w
Lighters, Product safety 195–6w
Marketing, Consumer protection 189–90w
New deal schemes, Dept of Trade and Industry 24–5w
Patents 22w
Power industry, Regulatory systems 284w
Royalties, Art works 372w
Sales promotions, Consumer protection 373w
Supermarkets, Monopolies 137w
Wind power, Offshore structures 446

Hoyle, Mr Lindsay
Debates etc.
Agriculture (26.10.98) 117–8, (03.11.98) 778–80
Questions
Defence industries, Diversification 348w
Gibraltar 142w
India, Foreign relations 148w
National Grid for Learning 529–30w
National Grid for Learning, Chorley 530w
Navy, Radiography 18w

Hughes, Ms Beverley
Questions
Child prostitution 20

Hughes, Mr Kevin Michael, An Assistant Whip
Debates etc.
Animal quarantine, Pets (29.10.98) 529

Hughes, Mr Simon
Questions
Autism, Children 415w
Hospital waiting lists 420–1w
Manufacturing industries, Greater London 284w
Medical profession, Wales 611w
Nurses, Vacancies 421–2w
Smoking, Health education 98w

Human rights
Argentina 274w
Bahrain 413w
Brunei 412w
China 138, 274w
Democratic Republic of the Congo 412w, 580–1w
Gambia 80w
Iran 198–9w
Kashmir 270–1w
Laos 602w
Sudan 582w
Tibet 172w, 545w

***Human rights**—continued*
Turkey 199w, 541w
United Nations 384w

Huntington's chorea
Disability living allowance 94w

Hurst, Mr Alan
Debates etc.
Agriculture (04.11.98) 968–9
Electoral systems (05.11.98) 1100–1

Hutton, Mr John, Parliamentary Under-Secretary of State, Dept of Health from October 28 1998
Debates etc.
Medical education (04.11.98) 848–52
Questions
Antenatal care 536w
Asthma 539–40w
Autism, Children 295w, 415–6w
Blood transfusion services, Liverpool 677–8w
Community care 622w
Death, Young people 295w
Heart diseases, Young people 295w
Home care services, Fees and charges 538w
Hyperactivity 537w
Magnetic resonance imagers 296w
Mental health services, Expenditure 675–6w
Mentally disadvantaged 678–9w
Mid Essex Hospital Services NHS Trust, Hospital waiting lists 416w
NHS trusts, Access to buildings 536–7w
Nursing homes 417–9w
Personal social services, Expenditure 676–7w
Political refugees, Government grants to local authorities 537w
Residential care, Inspections 538w
Secure accommodation, Young offenders 680w
Social services 536w
Social services, Information technology 416–7w
Social services, Performance standards 538–9w
Wheelchairs 678w

Hydrocarbon oil duties
Buses 307w
Road traffic 302w
School transport 37w

Hyperactivity
537w
Special education 530w

Iddon, Dr Brian
Debates etc.
Electoral systems (05.11.98) 1067
Questions
Armed forces recruitment, Ethnic minorities 545–6
Greater Manchester Police, Manpower 4
Higher education teachers, Pay 64w
Housing benefits, Social security abuse 31w

Illegal immigrants
181–3w
Deportation 654w

Illsley, Mr Eric
Questions
EC enlargement 145
Educational maintenance allowance 529w
Further education colleges, College governors 529w

Immigrant detainees
53w, 383w

***Immigrant detainees**—continued*
Haslar Prison 57w
Political refugees 17–8

Immigrants
Domestic violence 374w

Immigrants' dependants
Immigration applications 57w

Immigration
Members' correspondence 148w
Prosecutions 121–2w

Immigration and Nationality Directorate
Computers 50–1w, 116w
Manpower 115w

Immigration appeals
Political refugees 237w, 676–7

Immigration Appellate Authorities
61w

Immigration applications
384w, 546w
Immigrants' dependants 57w
Political refugees 48–9w, 51–2w, 181w

Immigration controls
Employment 119w
Political refugees 51w, 374w

Immobilisation of vehicles
53w

Imports
Electricity 139w
Motor vehicles 462w

Incapacity benefit
94w, 173–5w, 553w
Social security abuse 390–1w
Take-up of employment 99w
West Midlands 391w

Income support
Capital rules 173w, 395w
Mortgages 27–8w, 92–3w, 548w
New deal for lone parents 549w
Pensioners 27w

Income Support (General) Regulations 1987
Questions
395w

Income tax
Tax harmonisation 226w, 242w

Income tax on fluctuating incomes
Farm incomes 615–6w

Independent Commission on Policing for Northern Ireland
209w

Independent Commission on the Voting System
see Voting System Independent Commission

Independent Commissioner for the Holding Centres
484–6w

India
Foreign relations 148w
Visas 135–6

Individual learning accounts
531w

Indonesia
Politics and government 144w

Industrial accidents
Farms 560w

Industrial diseases
Coal mining 509–10w
Scotland 509–10w

Industrial disputes
Fire services 54w

Industrial health and safety
(04.11.98) 787–806
Alcoholic drinks 176w, 188w
Drug abuse 176w, 188w
Genetically modified organisms 12–3w
NHS trusts 537w

Industry
Interest rates 286w

Inflammatory bowel disease
620–1w
Milk 620w
MMR vaccine 72w

Influenza
Vaccination 677w

Information society initiative
287w

Information technology
Social services 416–7w

Information warfare
(04.11.98) 985–92

Ingram, Mr Adam, Minister of State, Northern Ireland Office
Questions
Agriculture, Northern Ireland 325
Army in Northern Ireland 489w
Army in Northern Ireland, Prisoners 210w
Crimes of violence, Drumcree 243w
Crimes of violence, Northern Ireland 215w, 366–7w
Criminal Justice (Terrorism and Conspiracy) Act 1998 489–90w
Demonstrations, Drumcree 211w, 327–8
Economic situation, Northern Ireland 208w, 324
Flags, Northern Ireland 487w
Foreign investment in UK, Northern Ireland 675w
Foreign investment in UK, South Down 596w
Independent Commission on Policing for Northern Ireland 209w
Independent Commissioner for the Holding Centres 484w
Internal security operations, Northern Ireland 489–92w
MacBride principles 244–5w
New deal schemes, Northern Ireland 324–5
Parades Commission 207w
Police Authority for Northern Ireland, Buildings 493w
Police Authority for Northern Ireland, Manpower 491–4w
Police custody, Northern Ireland 485–6w
Prison staff, Redundancy 325
Prisoners' release, Northern Ireland 209w, 488–9w
Proscribed organisations, Northern Ireland 363–5w
Proscribed organisations, Prisoners 490w
Right of silence, Northern Ireland 490w
Royal Ulster Constabulary, Firearms 487–8w
Royal Ulster Constabulary, Manpower 487w
Sentence Review Commission 488w
State visits, Northern Ireland 367w
Terrorism, Northern Ireland 207w, 210–2w, 365–6w
Weapons, Northern Ireland 210w

Inland Revenue
Cash limits 343w

Inland waterways
Freight transport 303–4w

Inland waterways—continued
Tourism 304–5w

Institute of Export
142w

Insurance
Armed forces reserves 205w
Legal costs 676

Integrated schools
Northern Ireland 207–8w, 323

Intelligence and Security Committee
497w
Annual reports 241w

Intelligence services
(02.11.98) 578–650
Cash limits 404w
Complaints 506–7w

Interception of Communications Act 1985
Questions
494w

Interest rates
37w, 996–7, 1003
Germany 687w
Industry 286w
Manufacturing industries 286w, 454–5
Small businesses 453–4, 456

Internal security operations
Northern Ireland 489–92w

International conferences
Federalism 637w
Sierra Leone 145w

International cooperation
Aerospace industry 448
Drug crimes 145w

International economic policy
Ministerial statements (02.11.98) 559–74

International organisations
Environmental impact assessment 236–7w

Internet
Task forces 474w

Intervention Board
Cash limits 437–8w

Intestacy
Scotland 481–2w

Intimidation
Crime victims 61–2w

Intimidation of witnesses
61–2w

Inventions
Fraud 368w, 375w

Investing in dentistry initiative
290–1w

Investment income
Pensioners 37w, 341w, 686w
Taxation 37w, 227w, 341w, 686w

Iran
Ballistic missiles 142–3w
Human rights 198–9w

Iraq
Ministerial statements (03.11.98) 703–13

Iraq-Kuwait conflict
Armed forces casualties 348–9w

Irish Guards
355w

Iron and steel
Chile 457

Iron and steel industry
457–8
Wales 555–6w

Israel
EC external trade 541w

Jack, Rt Hon Michael
Debates etc.
Agriculture (26.10.98) 86, 107–12
International economic policy (02.11.98) 570–1
Questions
Bovine spongiform encephalopathy, Compensation 426w
Bovine spongiform encephalopathy, Disease control 858
Crops 76w
Economic growth, Scotland 477w
Farmers, Wales 610w
Law Society 476w

Jackson, Ms Glenda, Parliamentary Under-Secretary of State, Dept of the Environment Transport and the Regions
Debates etc.
Ports, Newhaven (04.11.98) 841–5
Questions
A11 306w
A12, Road works 108w
A40, Cheltenham 247w
A49, Road accidents 10–1w
A130 313w
Air transport, France 571w
Airlines, Government assistance 643w
Aviation fuels, Taxation 163–4w
Bechtel Corporation, Jubilee line 639w
Birmingham Relief Road 639w
Bus services, Greater London 643w
Bus services, Privatisation 642w
Buses, EC action 15–6w
Buses, Hydrocarbon oil duties 307w
Buses, Safety belts 247–8w
Bypasses 452w
Chideock bypass 641w
Concessionary fares, Pensioners 566w
Connex Rail, Rolling stock 574–5w
Cycling, Road safety 163w
Driving licences, Diabetes 9w
Driving offences, Drug abuse 106w
Driving tests 7w
Driving tests, Fees and charges 17w
Driving tests, Stafford 638w
Dual carriageways 303w
Environment Transport and Regional Affairs Select Committee, London Underground 259w
Exhaust emission controls 257w
Freight facilities grant 17w, 310w
Fuel cells, Motor vehicles 302–3w
Great Barford bypass 640w
Great Western Trains, Performance standards 306w
Heathrow Airport, Air traffic control 307w
Heathrow Airport, Aircraft noise 566w
Hereford bypass 16w
Highways Agency 109w
Inland waterways, Freight transport 303–4w
Jubilee line 567w
Level crossings, Railway safety 305w
Lighting, Energy conservation 161w
London airports, Passengers 565–6w
London Transport, Fares 574w
Midland Main Line, Rolling stock 572w
Millennium Exhibition, Public transport 303w, 641w
Motor vehicles, Imports 462w
MV Arco Arun, Shipping accidents 249–50w, 640w
MV Pacific Crane, Transport of radioactive materials 644w
National Air Traffic Services 109w
National Bus Company, Pension funds 8w

Jackson, Ms Glenda—continued
Parliamentary questions, Administrative delays 312w
Polegate bypass 573w
Polegate bypass, Compensation 10w
Public transport 310–1w
Public transport, Disadvantaged 257–8w
Public transport, Restrictive trade practices 166w
Public transport, West Midlands 257w
Railtrack, Performance standards 307w
Railway accidents, Fox hunting 108w
Railway fares 109w
Railway freight transport 167w
Railway freight transport, West Midlands 256w
Railway land 103–4w
Railway network, Rural areas 14w
Regional airports, Air routes 313–4w
Road accidents, Suffolk 258w
Road construction 16w
Road freight transport 104w
Road haulage industry 106–8w
Road safety 108–9w
Road signs, Greater London 14w
Road traffic 458–9w
Road traffic, Hydrocarbon oil duties 302w
Road traffic control, Central London 642w
Road works, Woolwich 573w
School transport 104w
Shrewsbury-Aberystwyth railway line, Railway freight transport 248–9w
Speed governors, Lorries 572w
Speed limits 572w
Strategic Rail Authority 13–4w
Taxis, Licensing 12w, 570–1w
Thames flood barrier, Repairs and maintenance 249w
Traffic noise 311w, 461w
Train operating units, Performance standards 307w, 571w
Trans-European networks 465–6w
Transport infrastructure, Investment 105–6w
Transport of radioactive materials 161–2w
Transport policy, Public opinion 310w
Transport policy, Teleworking 163w
Tyne and Wear Metro, Sunderland 248w
West Coast railway line 563–4w

Jackson, Helen
Questions
Iron and steel industry 457

Jackson, Mr Robert
Debates etc.
Agriculture (04.11.98) 935, 943

Jenkin, Mr Bernard
Debates etc.
Industrial health and safety (04.11.98) 801–3
Questions
Buses, EC action 15–6w
Fish farming, Scotland 75–6w
Freight facilities grant 310w
National Air Traffic Services 90–1w, 109w
Pinochet, Augusto 125–6w
Public transport 310–1w
Public transport, Restrictive trade practices 166w
Railtrack, Performance standards 307w
Railway fares 109w
Road construction 16w
Salmon, Fish conservation 73–4w
Salmon, Fish farming 75w
Salmon, Fishing 75w
Soap and Detergent Industry Association 15w
Traffic noise 311w

Jenkin, Mr Bernard—continued
Train operating units, Performance standards 307w
Trans-European networks 465–6w
Transport policy, Public opinion 310w

Jenkins, Mr Brian
Debates etc.
Personal pensions, Misrepresentation (03.11.98) 724
Questions
Birmingham Relief Road 639w
Death, Young people 295w
EC grants and loans, Staffordshire 585w
GCE A Level 527w
GCE A Level, Physics 592–3w
Heart diseases, Death 341w
Heart diseases, Young people 295w
Motor industry, West Midlands 510–1w
Public transport, Disadvantaged 257–8w
Science education 592w
Trade competitiveness 625w
Unemployment 230–1w

Jenkins of Hillhead Commission
see Voting System Independent Commission

Jobseeker's allowance
Redundancy 398–9w

Johnson, Mr Alan
Debates etc.
Economic situation (04.11.98) 884
Electoral systems (05.11.98) 1072, 1099–100
Working Time Regulations (27.10.98) 220–3
Questions
Minimum wage 329

Johnson, Miss Melanie
Questions
Community policing 9
Police, Finance 497–8w

Joint Committee on Vaccination and Immunisation
619w

Joint funding scheme
Overseas aid 3–4w

Joint public-private sector ventures
National Air Traffic Services 457w

Jones, Mr Barry
Debates etc.
Agriculture (26.10.98) 88
Economic policy (26.10.98) 30–1, (03.11.98) 693
Economic situation (04.11.98) 877–8
Questions
Aerospace industry, Wales 556w
Apprentices, Deeside 89w
Assisted areas, Wales 89w, 557w
Chemists' shops, Wales 556w
Deeside industrial park, Railway stations 6w
Eye disorders, Wales 557w
Iron and steel industry 457–8
Iron and steel industry, Wales 555w
Kimberly Clark, Government assistance 268–9w
Manufacturing industries, Wales 188w
Mental health services, Wales 555–6w
MIND, Wales 329–30w
Optoelectronics, Wales 268w
Play groups, Wales 628–9w
Royal Welch Fusiliers, Wales 854
Trade competitiveness, Wales 557w
United Nations, Peace keeping operations 551–2
Welsh language, Schools 556–7w

Jones, Ms Fiona
Questions
British Government Panel on Sustainable Development 261–2w

Jones, Helen M
Debates etc.
Economic policy (26.10.98) 27–8, 43, 60
Economic situation, Russia (27.10.98) 245
Questions
Armed forces medical services, Finance 344–5w
Economic situation, Northern Ireland 208w
Health service staff, Resignations 296w
Magnetic resonance imagers 296w
NHS trusts, Access to buildings 536–7w
NHS trusts, Industrial health and safety 537w

Jones, Mr Ieuan Wyn
Questions
Hill livestock allowances, EC countries 215–6w
Hospital waiting lists, Wales 613w

Jones, Ms Jenny
Debates etc.
Animal quarantine, Pets (29.10.98) 498–500, 518
Questions
Urban areas 122w

Jones, Mr Jon Owen, Parliamentary Under-Secretary of State, Welsh Office
Questions
Agriculture, Wales 609–10w, 858
Beef, Exports 857–8
Bovine spongiform encephalopathy, Disease control 858
Caerphilly Borough Council 610w
Cancer, Wales 331w
Cervical cancer, Wales 329w
Chemists' shops, Wales 556w
Child protection registers, Powys 859
Council house sales, Wales 555w
Environmental health, Wales 609w
Eye disorders, Wales 557w
Farm incomes, Wales 611w
Farmers, Wales 610w, 857
Floods, Wales 269w, 629w, 859–60
Health services, Wales 612w
Hill farming, Wales 629–30w
Hospital waiting lists, Wales 613w, 861
Local government finance, Wales 327–9w
Meat, Supermarkets 858–9
Medical profession, Wales 611w
Mental health services, Wales 555–6w
MIND, Wales 329–30w
National tree week, Wales 609w
NHS trusts, Wales 612w
Pembrokeshire Coast National Park 557w
Play groups, Wales 628–9w
River Wye, Navigation 6w
RNAD Trecwn, Radioactive waste disposal 90w
Salmon, Fishing catches 190w
Welsh Highland Railway 189–90w

Jones, Dr Lynne
Debates etc.
Economic policy (03.11.98) 698–9
European Parliamentary Elections Bill, Lords amendts (27.10.98) 176
Questions
Air pollution control 164w
Autism, Children 72w
Aviation fuels, Taxation 163–4w
Breast feeding 69w
Climate Change Convention 246–7w
Courts, Complaints 159–60w
Heart diseases, Hospital waiting lists 69w
Income support, Capital rules 173w

Jones, Dr Lynne—continued
MMR vaccine, Inflammatory bowel disease 72w
Official residences 401–2w
Pembrokeshire Coast National Park 557w
Social security benefits 93–4w
Social security reform 172–3w
Teacher training 529w
Water charges 135w

Jones, Mr Martyn David
Debates etc.
Agriculture (04.11.98) 964–5
Questions
Cervical cancer, Wales 329w
Manufacturing industries, Wales 269w
New deal schemes, Wales 608w
Overseas aid, Family planning 302w
Overseas aid, Sex eduation 302w

Jones, Mr Nigel
Debates etc.
Economic situation, Russia (27.10.98) 242
Intelligence services (02.11.98) 583, 613–7
Questions
A40, Cheltenham 247w
Alcoholic drinks, Children 576w, 619w
Animal experiments 473–4w
Animal experiments, Viagra 576w
Climate Change Convention 639–40w
Copyright, Electronic publishing 372–3w
Cricket, Wales 627w
Crown Prosecution Service Review 540–1w
Drug treatment and testing orders, Gloucestershire 576w
Football, Television 315w, 369w
Health education, Alcoholic drinks 588w
Nuclear disarmament 112w, 346–7w
Olympic Games 7w
Rights of way 311w
Sportsgrounds, Safety standards 315w
World Cup 198w

Jowell, Rt Hon Ms Tessa, Minister for Public Health, Dept of Health
Debates etc.
Health hazards, Electromagnetic interference (29.10.98) 533–8
Questions
Abortion, Barnet 293w
AIDS support grant 98w
Analgesics, Prescriptions 196w
Antibiotics, Hormone treatments 289–90w
Autism 619w
Blood, Exports 546w
Bovine spongiform encephalopathy, Compensation 620w
Breast cancer 195w
Breast feeding 680–1w
Carers 292w
Childbirth, Barnet 293w
Children, Alcoholic drinks 619w
Creutzfeldt-Jakob dementia 294–5w, 532–6w
Health hazards, Chemical weapons 617w
Health hazards, Electromagnetic interference 99w, 586w
Health hazards, Spitting 678w
Health service staff, Resignations 296w
Inflammatory bowel disease 620–1w
Inflammatory bowel disease, Milk 620w
Influenza, Vaccination 677w
Joint Committee on Vaccination and Immunisation 619w
Mental health services 290w
MMR vaccine 617–8w
MMR vaccine, Congenital abnormalities 617w
MMR vaccine, Inflammatory bowel disease 72w

Jowell, Rt Hon Ms Tessa—continued
Nutritition and health, Children 195–6w
Osteoporosis 681w
Paracetamol 296w
Parkinson's disease 68w
Parliamentary questions, Administrative delays 423w
Political refugees, London boroughs 240–1w
Pregnancy 679w
Residential care of children, Regulatory systems 196w
Smoking, EC action 617w
Smoking, Health education 98w
Social services, Young people 293w

Jubilee line
567w
Bechtel Corporation 639w

Judges
616w

Judiciary
Criminal investigation 476w
Training 659w

Juries
Criminal proceedings 497w
Deaf 324w
Scotland 324w

Karadzic, Radovan
79w

Kashmir
Human rights 270–1w
Overseas aid 202w
Peace negotiations 148–9

Kaufman, Rt Hon Gerald
Debates etc.
Electoral systems (05.11.98) 1035, 1041, 1044–6, 1091, 1106
Iraq (03.11.98) 706
Questions
NHS, Private finance initiative 539w

Keeble, Ms Sally
Debates etc.
Agriculture (26.10.98) 120–1
Health hazards, Electromagnetic interference (29.10.98) 531
Questions
Common agricultural policy, Euro 426–7w
Ministry of Agriculture Fisheries and Food, Public expenditure 156–8w
Productivity 1004

Keen, Mr Alan
Debates etc.
Electoral systems (05.11.98) 1090–2
Questions
Sellafield, Radioactive waste disposal 312w

Keetch, Mr Paul
Debates etc.
Army (28.10.98) 361
Economic situation, Russia (27.10.98) 242–6
Questions
A49, Road accidents 10–1w
Business questions 468–9
Hereford bypass 16w
River Wye, Navigation 6w
West Indies Guardship 441w

Kennedy, Mr Charles
Debates etc.
Agriculture (26.10.98) 81–7, 89, 98, (04.11.98) 961–4
Animal quarantine, Pets (29.10.98) 497–8
Questions
Beef, Scotland 672

Kent
Venereal diseases 419–20w

Key, Mr Robert
Debates etc.
Animal quarantine, Pets (29.10.98) 483, 494, 512–6, 525
Army (28.10.98) 366–77, 384, 415
Questions
Armed forces catering services, Beef 542
Concorde, Air force bases 111w
Defence land, Land reclamation 18w

Khabra, Mr Piara S
Questions
Foreign and Commonwealth Office, Cash limits 413–4w

Kidnapping
British residents abroad 545w
Chechnya 145w

Kidney, Mr David
Debates etc.
Economic situation, Russia (27.10.98) 246
Personal pensions, Misrepresentation (03.11.98) 725, 737, 746–53, 758
Questions
Agricultural subsidies 154w
Beef, Armed forces catering services 424w, 541–2
Bovine spongiform encephalopathy, Disease control 77w
Carers 292w
Compulsory purchase 106w
Driving tests, Stafford 638w
Educational standards, Children in care 235–6w
European Central Bank, Prices 683w
Immigrants' dependants, Immigration applications 57w
Marketing, Consumer protection 189–90w
Nutritition and health, Children 195–6w
Organic farming 154–5w
Public records, Fees and charges 675
Repossession orders 659w
Repossession orders, Mortgage defaulters 247w
School transport 104w
West Coast railway line 563–4w

Kilfoyle, Mr Peter, Parliamentary Under-Secretary of State, Cabinet Office
Questions
Biotechnology and Genetic Modification Ministerial Group 25w
Buying Agency 246w
Civil servants, Termination of employment 400w
Green papers, Disclosure of information 188w
Official cars, Theft 673w
Parliamentary Commissioner for Administration, Recruitment 246w
Public service, Autism 558–9w

Kimberly Clark
Government assistance 268–9w

King, Mr Andy
Debates etc.
Electoral systems (05.11.98) 1083, 1088

King, Ms Oona
Questions
Council housing finance 259–60w
Nuclear disarmament 345–6w

King, Rt Hon Tom
Debates etc.
Intelligence services (02.11.98) 588–95
Questions
Police, Public expenditure 44w

King Committee
see Intelligence and Security Committee

Kingham, Ms Tess
Questions
Fires, Supermarkets 505w
Supermarkets 307–8w

Kirkbride, Miss Julie
Debates etc.
Social security (28.10.98) 349

Kirkwood, Mr Archy
Debates etc.
Social security (28.10.98) 348
Questions
National insurance contributions 690–1w

Know-how Fund
Russia 300w

Kosovo
139–40, 144w, 199–200w, 330–1
Mines 547
Organisation for Security and Cooperation in Europe 411–2w
Political refugees 180–2w
War crimes 79w

Kumar, Dr Ashok
Questions
Autism, Children 415–6w, 673–4w
Fire services, Standard spending assessments 383–4w
Public service, Autism 558–9w
Special education, Autism 228–9w, 531w, 631–3w, 674–5w
Teesside Development Corporation 455w, 641–2w

Kurds
Peace negotiations 412–3w

Labour Party
866

Laing, Mrs Eleanor
Debates etc.
Conduct of Referendums Bill, 1R (03.11.98) 714–5
Electoral systems (05.11.98) 1062–4

Lait, Mrs Jacqui
Debates etc.
Army (28.10.98) 363
Information warfare (04.11.98) 900, 985–7
Personal pensions, Misrepresentation (03.11.98) 726, 760–2
Social security (28.10.98) 354
Questions
Child benefit 1002
Concessionary fares, Pensioners 566w
Leasehold housing 642w
Philips Electronics 192w
Political refugees 507w
Post Office, External financing limits 192w
Public sector net cash requirement 90w
Working hours, Charities 23w

Land acquisition
Agricultural land 559–60w
Metropolitan Police 385–6w
Wanstead 386w

Land pollution
Local government finance 323–4w

Land reclamation
Defence land 18w
Winterbourne Gunner 18w

Land use
Data banks 455–6w

Landfill tax
342w

Languages education
590w
Scotland 662, 667–8

Lansley, Mr Andrew
Debates etc.
Economic situation (04.11.98) 903, 927
European Parliamentary Elections Bill, Lords amendts (27.10.98) 199–201
Safeguards against Abuse of Children Living Away from Home Review (05.11.98) 1019
Questions
Child protection registers, Powys 859
Minimum wage 288w
Regional selective assistance, Scotland 324w
Regional selective assistance, Wales 329w
Young offenders, Administration of justice 48w

Laos
Human rights 602w

Latin America
Export promotion 369–70w

Law centres
476w

Law reform
Taxation 227w

Law Society
476w

Lawrence, Ms Jackie
Questions
Community councils, Elections 6–7w
RNAD Trecwn, Radioactive waste disposal 90w, 540
Taxation, Law reform 227w
Welsh Office, Cash limits 330–1w

Laxton, Mr Bob
Questions
Dept of Health, Cash limits 422–3w

Leasehold housing
642w, 644w

Leasehold valuation tribunals
(28.10.98) 436–42

Legal aid
674–5, 677–8

Legal costs
Insurance 676

Legal profession
Recruitment 475w

Legislature
Channel Islands 5

Leigh, Mr Edward
Debates etc.
Business questions (05.11.98) 1028
Electoral systems (05.11.98) 1038, 1041–2
European Parliamentary Elections Bill, Lords amendts (27.10.98) 182
Social security (28.10.98) 350
Questions
Family Law Act 1996 476–7w
Iron and steel, Chile 457
Marriage guidance, Pilot schemes 477w

Leisure facilities
Carlisle 165w
Planning permission 165w

Lepper, Mr David
Debates etc.
Ports, Newhaven (04.11.98) 838
Wildlife Bill, 1R (03.11.98) 713
Questions
Planning permission 11w

Leslie, Mr Christopher
Debates etc.
Economic policy (26.10.98) 45–50
Economic situation (04.11.98) 899, 901–5

Letwin, Mr Oliver
Debates etc.
Agriculture (26.10.98) 83
Electoral systems (05.11.98) 1057, 1105–9
Questions
Annuities, Elderly 689w
Asthma 539–40w
Bovine spongiform encephalopathy, Disease control 665–6w
Capital gains tax 447w
Chideock bypass 641w
Electoral register 499w
Firearms, Licensing 499w
Hemp 498w
Motor vehicle theft, Crime prevention 498w
National savings, Children 614w
Non-domestic rates, Dorset 461–2w
Parish councils 462w
Police, Manpower 656w
Rural action initiative 461w
Scottish Parliament, Electoral systems 670–1
Traffic noise 461w
Uganda, Homicide 545–6w
VAT, Golf 692w
Wild boar, Dorset 462w

Level crossings
Railway safety 305w

Levitt, Mr Tom
Questions
Animal welfare, Cattle 560–1w
Bovine spongiform encephalopathy, Disease control 600w
Bovine Spongiform Encephalopathy and Creutzfeld Jakob Disease Inquiry 662w
Buses, Hydrocarbon oil duties 307w
Environmentally sensitive areas 561–2w
Farmers, Age 429–30w
Farmers, Early retirement 599w
Green papers, Disclosure of information 188w
Juries, Deaf 324w
Legislation, Terminology 241w
Meat, Hormones 430–1w
Meat, Standards enforcement 431w
Meat, Tranquillisers 430w
Milk Marque, Prices 430w
Police, Dogs 374–5w
Road freight transport 104w
Salmon, Fish diseases 223–4w
Social security recipients, Derbyshire 396–8w
Speed governors, Lorries 572w

Lewis, Mr Ivan
Debates etc.
Personal pensions, Misrepresentation (03.11.98) 719

Lewis, Dr Julian
Debates etc.
Army (28.10.98) 392, 420
Electoral systems (05.11.98) 1035, 1073–5
Intelligence services (02.11.98) 621–7
Questions
Chemical and biological warfare, Treaties 148

Lewisham
Recycling 638w

LG Semicon
Newport 612w

Liaison Committee
see House of Commons Liaison Committee

Libyan Arab Republic
Engineering industries 459–60

Liddell, Rt Hon Mrs Helen, Minister for Education and Industry, Scottish Office
Questions
Educational finance, Scotland 479w
Educational standards, Scotland 667
Further education, Scotland 480w
Gaelic language, Teacher training 661–2
Higher still development programme, Scotland 666–7
Languages education, Scotland 662, 667–8
School attendance, Scotland 322–3w
Special education, Autism 631–3w
Teachers, Scotland 667
Vocational education, Hotel and catering industry 593w

Lidington, Mr David
Questions
Aylesbury Young Offenders Institution 576–7w

Lighters
Product safety 195–6w

Lighting
Energy conservation 161w, 460–1w

Limestone
Environment protection 258w

Linton, Mr Martin
Debates etc.
Electoral systems (05.11.98) 1036, 1043, 1108
Questions
Alternatives to prison 6

Liverpool
Blood transfusion services 677–8w
Territorial Army 219w

Livingstone, Mr Ken
Questions
Iraq-Kuwait conflict, Armed forces casualties 348–9w

Livsey, Mr Richard
Debates etc.
Agriculture (26.10.98) 85, 94, (04.11.98) 965
Questions
Beef, Exports 869
Cancer, Wales 331w
Explosives, Theft 356w
NHS trusts, Wales 612w
Territorial Army, Wales 854

Lloyd, Mr Tony, Minister of State, Foreign and Commonwealth Office
Questions
Amnesty International 274w
Antarctic Treaty 637w
Argentina, Arms trade 146w
Argentina, Foreign relations 80w
British Petroleum, Arms exports 409w
British residents abroad, Kidnapping 545w
Caribbean, EC external relations 143w
Chechnya, Kidnapping 145w
Chemical and biological warfare, Treaties 147–8
Chile, Official visits 147w
China, Human rights 138, 274w
Colombia, Ministers' visits abroad 144w
Currencies 269–70w
Democratic Republic of the Congo, Human rights 412w

Lloyd, Mr Tony—continued
European Charter for Regional or Minority Languages 602–3w
European Human Rights Foundation 138
Falkland Islands, Fisheries 80w, 545w
Falkland Islands, Sovereignty 275w
Federalism, International conferences 637w
Foreign and Commonwealth Office, Disabled workers 270w
Foreign and Commonwealth Office, Official visits 147–8w
Fyle, Hilton 82–3w
Gambia, Human rights 80w
International cooperation, Drug crimes 145w
Kosovo 144w, 199–200w
Kosovo, War crimes 79w
Mladic, Ratko 79w
Organisation for Security and Cooperation in Europe, Kosovo 411–2w
OSCE Convention on Conciliation and Arbitration 602w
Parliamentary questions, Administrative delays 414w
Pinochet, Augusto 81–2w, 146–7w, 273–4w, 600–1w, 635–6w
Public appointments, Foreign and Commonwealth Office 271–3w
St Helena 414w
St Helena, British citizenship 143w
Serbia, Radio 270w
Sierra Leone, Arms trade 82–5w
Sierra Leone, Capital punishment 82–5w
Sierra Leone, International conferences 145w
Sierra Leone, Peace negotiations 637w
Uganda, Homicide 545–6w
Universal Declaration of Human Rights 137–8
USA, Foreign relations 143w

Llwyd, Mr Elfyn
Debates etc.
Economic policy (03.11.98) 700–1
Questions
Royal Welch Fusiliers, Wales 854–5

Loans
Farmers 559w

Local authorities
Millennium compliance 10w

Local authority powers
457w

Local education authorities
Standard spending assessments 521–5w

Local government
Private finance initiative 452w

Local government finance
571–2w
Land pollution 323–4w
Northern Ireland 209–10w
Scotland 323–4w
Tourists 8w
Wales 327–9w

Local government reform
457w, 459–60w
Councillors 567w
Government grants 260–1w

Local government services
Best value 308w, 481w

Local government staff
260w

Lock, Mr David
Debates etc.
Social services, Public petitions (28.10.98) 435

Lock, Mr David—continued
Questions
Arms exports, Export credit guarantees 192w, 584w
Defence Export Services Organisation, Operating costs 205w

Lockerbie
Bombings 142w, 152–4

London airports
Passengers 565–6w

London boroughs
Political refugees 240–1w, 537w

London Fire and Civil Defence Authority
Private finance initiative 58–9w

London Transport
Fares 574w

London Underground
Environment Transport and Regional Affairs Select Committee 259w

Lord Chancellor's Dept
Cash limits 333w
Ethnic minorities 659–60w
Public appointments 333–7w

Lorries
Road tax 37–8w, 692w
Speed governors 572w

Loughton, Mr Tim
Debates etc.
Animal quarantine, Pets (29.10.98) 481, 488, 502, 506–11
Economic policy (26.10.98) 33, 35, 43, 46–7, 75
Questions
Economic growth 683w
Home detention curfews 5–6
Immigration Appellate Authorities 61w
Medical records, Disclosure of information 73–4w
Medical records, Fees and charges 73w
National savings 38w
Northbrook College Worthing, Planning appeals 16w
Physiotherapy, West Sussex 99w
Planning appeals 16w
Road freight transport 104w
Road haulage industry 106–8w
Special education, Autism 229w
State earnings related pension scheme, Administrative delays 32w
Territorial Army 344w

Love, Mr Andrew
Debates etc.
Business questions (05.11.98) 1030
Cyprus (28.10.98) 253, 255, 261
Economic situation (04.11.98) 907–8, 913
Personal pensions, Misrepresentation (03.11.98) 736, 738
Questions
Income support, Mortgages 92–3w

Low flying
Helicopters 441–2w

Low incomes
1001–2
Scotland 477w

Lowestoft
Unemployment 230w

Loyalist Volunteer Force
320

Luff, Mr Peter
Debates etc.
Agriculture (04.11.98) 956–60
Questions
Drama education, Finance 64–5w, 102w

Luff, Mr Peter—continued
Hedges and ditches 164–5w
Middle East, Peace negotiations 141w

Lyell, Rt Hon Sir Nicholas
Debates etc.
Animal quarantine, Pets (29.10.98) 509
Electoral systems (05.11.98) 1033–4
Questions
Great Barford bypass 640w
Pinochet, Augusto 579w

McAllion, Mr John
Questions
Caribbean, EC external relations 143w
Concessionary television licences 335
Council house transfers, Scotland 483w
Post Office 283w
Public sector net cash requirement 684w

MacBride principles
244–5w

McCabe, Mr Stephen
Debates etc.
Army (28.10.98) 391–5
Cyprus (28.10.98) 260
Questions
Road works, Public utilities 262–3w

McCafferty, Ms Chris
Questions
Developing countries, Female circumcision 299–300w

***McCartney, Mr Ian**, Minister of State, Dept of Trade and Industry*
Debates etc.
Working Time Regulations (27.10.98) 218, 231–7
Questions
Business, Deregulation initiative 452–3
Companies, Fraud 194w
EC Social Charter, Trade competitiveness 451–3
"Fairness at Work White Paper" 284–5w, 460, 623w
Minimum wage 284w, 288w
Parcelforce 285w
Part-time employment, EC law 286–7w
Post Office 22w, 283w
Post Office, External financing limits 192w
Post offices, Social security payments 21w
Rover Group 289w
Sub post offices, Closures 190–1w
Trade union recognition 452
Working hours, Charities 23w
Working hours, EC law 368w, 624w

McCartney, Mr Robert
Questions
Weapons, Northern Ireland 327

McDonagh, Ms Siobhain
Debates etc.
Electoral systems (05.11.98) 1050, 1101–3

***Macdonald, Mr Calum**, Parliamentary Under-Secretary of State, Scottish Office*
Debates etc.
Agriculture (26.10.98) 85
Questions
A1, Scotland 478w
Agricultural subsidies, Scotland 593w
Beef, Scotland 671–2
Council house transfers, Scotland 483w
Council housing, Scotland 673
EC grants and loans, Scotland 96w
Fish farming, Scotland 75–6w
Fisheries, Scotland 480w
Housing benefits, Scotland 75w

Macdonald, Mr Calum—continued
Housing standards, Scotland 479w
Land pollution, Local government finance 323–4w
Low incomes, Scotland 477w
Redundancy, Scotland 483–4w
Salmon, Fish conservation 73–4w
Salmon, Fish diseases 223–4w
Salmon, Fish farming 75w
Salmon, Fishing 75w
Salmon, Fishing catches 74w
Scottish Enterprise 480w
Water companies, External financing limits 224w
Water meters, Scotland 95–6w

McFall, Mr John, Parliamentary Under-Secretary of State, Northern Ireland Office
Questions
Abortion, Northern Ireland 598w
Autism, Children 673–4w
Autism, Special education 674–5w
Integrated schools, Northern Ireland 207–8w
Student numbers, Northern Ireland 211–2w

McGrady, Mr Eddie
Questions
Belfast Agreement 320–1
Foreign investment in UK, Northern Ireland 675w
Foreign investment in UK, South Down 596w
MV Pacific Crane, Transport of radioactive materials 644w

MacGregor, Rt Hon John
Debates etc.
Economic policy (03.11.98) 693–4
Electoral systems (05.11.98) 1055–7
Personal pensions, Misrepresentation (03.11.98) 719–20, 733–9, 772

McIntosh, Miss Anne
Debates etc.
Army (28.10.98) 369, 389–91
European Parliamentary Elections Bill, Lords amendts (27.10.98) 166, 172, 192–4
Health hazards, Electromagnetic interference (29.10.98) 530–4, 536
International economic policy (02.11.98) 570
Questions
Agenda 2000 144w
Beef premiums, Administrative delays 77w
Duchess of Kent Military Hospital 347w
Health hazards, Electromagnetic interference 99w
House of Commons, European Parliament 554
Paramedical staff 195w
Territorial Army, Peace keeping operations 552
Withholding tax 686w

McIsaac, Shona
Questions
Hospital waiting lists, Grimsby 869–70
Northern Ireland government 208–9w, 673–4w

MacKay, Rt Hon Andrew
Questions
Prisoners' release, Northern Ireland 322
Weapons, Northern Ireland 321

McKenna, Mrs Rosemary
Questions
Middle East, Peace negotiations 141w

Mackinlay, Mr Andrew
Questions
Armed forces cadets, Minesweepers 543
EC enlargement 143
Fyle, Hilton 82–3w
Gibraltar 85–7w, 636w
Gibraltar, Territorial waters 86–8w
Immigration, Members' correspondence 148w
Judiciary, Criminal investigation 476w
MV Arco Arun, Shipping accidents 640w
OSCE Convention on Conciliation and Arbitration 602w
Sierra Leone, Arms trade 82–5w
Sierra Leone, Capital punishment 82–5w

Maclean, Rt Hon David
Questions
Agricultural land, Land acquisition 559–60w
Agricultural products, Overseas trade 432–6w
Agricultural products, Prices 436–8w
Agricultural workers, Pay 666w
Agriculture 359w
Assisted places scheme 405w
Bovine spongiform encephalopathy, Disease control 664–5w
Class sizes 406–8w, 657w
Farm incomes 560w
Farmers, Loans 559w
Federalism, International conferences 637w
Jobseeker's allowance, Redundancy 398–9w
Public expenditure, Agriculture 613–4w
Suicide, Farmers 341–2w
Youth employment, Agricultural workers 687–8w

McLeish, Mr Henry, Minister for Home Affairs and Devolution, Scottish Office
Questions
Bankruptcy, Scotland 477w
Best value, Local government services 481w
Cancer, Death 483w
Closed circuit television, Scotland 481–2w
Electoral register, Scotland 671
Intestacy, Scotland 481–2w
Juries, Deaf 324w
Police and ethnic minorities, Scotland 630–1w
Polling stations, Access to buildings 670
Proscribed organisations, Arrests 482–3w
Public expenditure, Scotland 480w
Scottish councils, Millennium compliance 484w
Scottish Parliament 478w
Scottish Parliament, Absent voting 478w
Scottish Parliament, Electoral systems 669–71

Maclennan, Rt Hon Robert
Debates etc.
Electoral systems (05.11.98) 1066–8, 1082

McNamara, Mr Kevin
Questions
Armed forces strength, Northern Ireland 443–4w
Army bases, Repairs and maintenance 445w
Army in Northern Ireland 443–4w, 489w
Army in Northern Ireland, Prisoners 445–6w
Belfast Agreement 33w, 322–3, 475w
Criminal Justice (Terrorism and Conspiracy) Act 1998 489–90w
Equal opportunities, Northern Ireland 327
Flags, Northern Ireland 485–7w

McNamara, Mr Kevin—continued
Force Research Unit, Northern Ireland 446w
Helicopters, Low flying 441–2w
Helicopters, Northern Ireland 442–3w
Homefirst Community HSS Trust, Northern Ireland 34–5w
Independent Commissioner for the Holding Centres 484w
Internal security operations, Northern Ireland 489–92w
MacBride principles 244–5w
Northern Ireland Bill 1997/98 34w
Northern Ireland Human Rights Commission 33–4w, 403w
O'Neill, Diarmuid 500–1w
Parliamentary questions, Northern Ireland 484w
Police Authority for Northern Ireland, Buildings 493w
Police Authority for Northern Ireland, Manpower 491–4w
Police custody, Northern Ireland 485–6w
Prisoners' release, Northern Ireland 488–9w
Prisoners' transfers, Republic of Ireland 500w
Proscribed organisations, Arrests 482–3w, 499–500w
Proscribed organisations, Prisoners 490w
Prosecutions 540w
Right of silence, Northern Ireland 490w
Royal Ulster Constabulary, Firearms 487–8w
Royal Ulster Constabulary, Manpower 487w
Sentence Review Commission 488w
Special category prisoners 500w

McNulty, Mr Tony
Debates etc.
Child Support Agency (26.10.98) 129–32
Questions
Business questions 467
Government departments, Performance standards 150w
Police discipline 48w

MacShane, Mr Denis
Questions
Child Support Agency 649w
Cinemas 314w
Film industry 563w
Members, European Communities 362w
Members' travel, EC institutions 225w

Mactaggart, Fiona
Questions
Economic policy 998–9
Immigrants, Domestic violence 374w
Immigration, Prosecutions 121–2w
Immigration controls, Employment 119w
Political refugees, Immigration appeals 676–7
Political refugees, Immigration applications 52w
Political refugees, Immigration controls 374w

McWalter, Mr Tony
Debates etc.
Economic policy (26.10.98) 47
Questions
Argentina, Arms trade 146w
Ariane programme 23w, 139w
Arts 627w
Genetic Testing Advisory Committee 625–6w
Integrated schools, Northern Ireland 208w
Millennium Exhibition, Philosophy 623w
Royal Ulster Constabulary 597w
Space technology 23w, 288w

Madel, Sir David
Questions
Hospital waiting lists 332

Maginnis, Mr Ken
Questions
Antiaircraft missiles 541
Prison sentences, Social security abuse 6
Prison staff, Redundancy 325
Terrorism, Northern Ireland 210–2w

Magistrates
Ethnic minorities 332w
Training 332w

Magistrates' courts
678–9

Magnetic resonance imagers
296w

Mahon, Mrs Alice
Debates etc.
Social security (28.10.98) 351
Questions
Colombia, Ministers' visits abroad 144w
Dept for International Development, Cash limits 449–50w

Maintenance
Children 554–5w, 606–7w

Malins, Mr Humfrey
Questions
Illegal immigrants, Deportation 654w
Immigration applications 546w
Political refugees 651–2w

Mallaber, Judy
Questions
Police, Early retirement 3

Manchester Airport
Foreign tourists 314w

Manchester United Football Club
British Sky Broadcasting 134w, 317w, 372w

Mandelson, Rt Hon Peter, *Secretary of State for Trade and Industry*
Questions
Arms exports, Export credit guarantees 192w, 584w
Assisted areas 133–4w
British Sky Broadcasting, Manchester United Football Club 134w
Business, Universities 450
Business start-up scheme 626w
Companies, Government assistance 451
Competitiveness UK initiative 285w
Dept of Trade and Industry, Cash limits 370–1w
Dept of Trade and Industry, New Millennium Experience 368w
Dounreay, Nuclear safety 135–6w
Euro, Publicity 131w
Foreign investment in UK 133–4w
Freehold land, Planning permission 624w
Genetic Testing Advisory Committee 625–6w
Government contracts 367–8w
High technology, Small businesses 449–51
Iron and steel, Chile 457
Iron and steel industry 457–8
Manufacturing industries, Interest rates 454–5
Manufacturing industries, Trade competitiveness 289w
Mass media, Ministers' domestic visits 191w
Millennium compliance 450
Millennium Exhibition 192–4w
Millennium Exhibition, Admission charges 623w

Mandelson, Rt Hon Peter—continued
Millennium Exhibition, Philosophy 623w
Millennium Exhibition, Sponsorship 129–31w, 623w
Ministers' visits abroad, Cuba 585w
New Millennium Experience, Performance standards 130–1w
Overseas trade, Chile 626w
Parliamentary questions, Administrative delays 372w
Philips Electronics 192w
Pinochet, Augusto 370w, 626w
Public appointments, Dept of Trade and Industry 194w
Sainsbury of Turville, Lord 134w
Science and technology 283w
Science and technology policy 285–6w
Science budget 136–8w
Siemens, Regional selective assistance 626w
Small businesses, Interest rates 453–4
Social conditions, Dept of Trade and Industry 585w
Temporary employment 133w
Trade competitiveness 194w, 625w

Manufactured exports
Exchange rates 286w

Manufacturing industries
Greater London 284w
Interest rates 286w, 454–5
Redundancy 331–3
Trade competitiveness 289w
Wales 188w, 269w, 855

Maples, Mr John
Questions
Air travel, Dept of Social Security 547w
Arms trade, Chile 441w
Navy, Income 356–7w
Parliamentary questions, Administrative delays 299w, 312w, 322w, 326w, 331w, 333w, 342w, 356w, 367w, 372w, 390w, 399w, 405w, 414w, 423w
Territorial Army 544–5
VC 10 aircraft, Members' correspondence 223w

Marek, Dr John
Debates etc.
European Parliamentary Elections Bill, Lords amendts (27.10.98) 166–8
Questions
St Helena 414w

Marines
Armed forces retirement 111–2w

Marketing
Consumer protection 189–90w

Marriage
Armed forces 113–4w

Marriage guidance
Pilot schemes 477w

Marsden, Mr Gordon
Questions
Incapacity benefit 94w, 173–4w
Incapacity benefit, Social security abuse 390–1w
Incapacity benefit, Take-up of employment 99w

Marsden, Mr Paul
Questions
Buses, Safety belts 247–8w
County courts, Telford 337–8w
"Fairness at Work White Paper" 460
International cooperation, Drug crimes 145w

Marshall, Mr David
Questions
Low incomes, Scotland 477w

Marshall, Mr Jim
Questions
Business questions 463
Northern Ireland Assembly 206–7w
Trade union recognition 452

Martlew, Mr Eric
Debates etc.
Army (28.10.98) 365
Questions
Leisure facilities, Planning permission 165w
Planning permission 165w

Mass media
Ministers' domestic visits 191w

Maude, Rt Hon Francis
Debates etc.
Economic policy (03.11.98) 688–90, 693, 699
Economic situation (04.11.98) 877–86, 888, 890–1, 893, 895–7, 925–6
International economic policy (02.11.98) 563
Questions
Economic forecasting 39–40w
Economic growth 44w
Economic policy 997–8
Exports, OECD countries 91w
Fiscal policy 39w
Interest rates 37w
Public finance 39–40w
Public sector debt 38–9w
Social security benefits, Expenditure 30w
VAT, Golf 692w
VAT (Sport Sports Competitions and Physical Education) Order 1998 693–4w

Mawhinney, Rt Hon Sir Brian
Debates etc.
European Parliamentary Elections Bill, Lords amendts (27.10.98) 180
Questions
Brewster Avenue School Peterborough, Members' correspondence 404–5w
Members' correspondence, Administrative delays 342w, 386w, 423w
Official cars, Theft 673w

Maxton, Mr John
Questions
Scottish Environment Protection Agency, Annual reports 633w
Scottish Office, Cash limits 324–6w

May, Mrs Theresa
Debates etc.
Army (28.10.98) 372
Questions
Business questions 465–6
Class sizes 232w
Day care of children 658w
Disability living allowance 397w
Judiciary, Training 659w
New deal for disabled people 399–400w
School Standards and Framework Act 1998, Green papers 518–20w
Sheltered employment, Finance 589w
Standards and Effectiveness Unit 100–1w
Sure start programme 100w
Teachers, Working hours 405–6w
Wheelchairs 678w

Meacher, Rt Hon Michael, Minister for the Environment, Dept of the Environment Transport and the Regions
Questions
"Access to the Open Countryside in England and Wales Consultation Paper" 103w
Advisory Committee on Releases to the Environment 638w
Climate Change Convention 642–3w
Climate Change Convention, UK delegations 643w
Convention on International Trade in Endangered Species, Elephants 645–6w
Environment protection, Ministerial duties 644–5w
Environmental Stakeholders Forum 13w
Genetically modified organisms, Crops 105w, 570w
Genetically modified organisms, Germany 162w
Genetically modified organisms, Industrial health and safety 12–3w
Genetically modified organisms, Licensing 570w
Genetically modified organisms, Oilseed rape 568–9w
Genetically modified organisms, Seeds 568–9w
Genetically modified organisms, Waste management 451w
Radioactive Waste Management Advisory Committee 306w
Sellafield, Mixed oxide fuel 454–5w
Sellafield, Radioactive waste disposal 312w
Sellafield, Radioactive wastes 454w
Sustainable development, Biodiversity 262w
Sustainable development, Performance standards 109–10w

Meale, Alan
Planning permission 259w, 308–9w

Meale, Mr Alan, Parliamentary Under-Secretary of State, Dept of the Environment Transport and the Regions
Debates etc.
Industrial health and safety (04.11.98) 794, 804–6
Questions
Agenda 21 573w
Air pollution control 164w
Beaches, EC law 453w
Biodiversity 255–6w
British Waterways Board 165–6w
Carbon dioxide, Air pollution 162w
Catalytic converters 459w
Climate Change Convention 246–7w, 639–40w
Coastal areas, Environment protection 8w
EC environmental policy 9–10w
EC grants and loans, Administrative costs 160–2w
Energy conservation, Finance 458w
Energy consumption 254w
Genetically modified organisms, Crops 452w
Hedges and ditches 164–5w
Inland waterways, Tourism 304–5w
Lighting, Energy conservation 460–1w
Limestone, Environment protection 258w
Local government, Private finance initiative 452w
Ministers' visits abroad, Dept of the Environment Transport and the Regions 160w
Nature Conservancy Council for England, Conflict of interests 457w

Meale, Mr Alan—continued
New Forest, Tree felling 166w
Ozone layer, EC action 573w
Packaging, Recycling 456w
Public appointments, Dept of the Environment Transport and the Regions 253–4w
Radioactive wastes 453–4w, 564w
Radioactive wastes, EC action 564–5w
Recycling, Edmonton 638w
Regional development agencies, Multilateral Agreement on Investment 246w
Rights of way 311w
River Dart, Departmental correspondence 575w
Rural action initiative 461w
Seas and oceans, Environment protection 7–8w
Sellafield, Mixed oxide fuel 16–7w
Sellafield, Radioactive wastes 453–4w
Shops, Rural areas 166–7w
Soap and Detergent Industry Association 15w
Social conditions, Dept of the Environment Transport and the Regions 312w
Teesside Development Corporation 455w, 641–2w
Training and enterprise councils, Expenditure 12w
Water meters 453w
Wild boar, Dorset 462w

Means tested benefits
Social security recipients 551w

Meat
Hormones 430–1w
Standards enforcement 431w
Supermarkets 858–9
Tranquillisers 430w

Meat Hygiene Service
Overseas workers 600w, 663w
Veterinary medicine 600w, 663w

Medical education
(04.11.98) 846–52

Medical equipment
Diabetes 70–1w

Medical profession
Wales 611w

Medical records
Disclosure of information 73–4w
Fees and charges 73w

Medical research
Gulf War syndrome 440w
Pregnancy 624–5w

Medical Research Council
624–5w

Medical treatments
71w
Cancer 682–3w

Members
European Communities 362w

Members' conduct
Codes of practice 243w

Members' correspondence
Administrative delays 78w, 342w, 386w, 395w, 423w
Brewster Avenue School Peterborough 404–5w
Immigration 148w
Social Security Benefits Agency 32w
VC 10 aircraft 223w

Members' personal statements
Ministerial resignations (02.11.98) 575–6

Members' speeches
Speaker's rulings and statements (05.11.98) 1050

Members' travel
EC institutions 225w

Menem, Carlos
Sun Newspaper 403w

Mental health services
290w
Expenditure 675–6w
Northern Ireland 322
Wales 555–6w

Mentally disadvantaged
678–9w

Mentally disturbed offenders
9, 44w

Merron, Ms Gillian
Questions
House of Commons reform 556–8

Merseyside
EC grants and loans 447

Metropolitan Police
4, 19–20, 115w
Compensation 53w
Dogs 59w
Finance 19–20
Land acquisition 385–6w
Recruitment 19–20

MI5
Disclosure of information 495–6w

Michael, Rt Hon Alun, Secretary of State for Wales from October 28 1998. Previously Minister of State, Home Office
Questions
Alcohol and crime, Young people 57w
Child prostitution 20
Children's Safeguards Review Ministerial Task Force 60–1w
Closed circuit television 13–4
Community policing 46w, 118w
Crime 45w
Crime victims, Intimidation 61–2w
Criminal records, Disclosure of information 54w
EC grants and loans, Wales 609w
Firearms, Crime 119w
Forensic science 46w
Greater Manchester Police, Finance 47w
Greater Manchester Police, Manpower 4
Immobilisation of vehicles 53w
Metropolitan Police 4
National Assembly of Wales 860–1
National Assembly of Wales, Day care of children 612–3w
National Assembly of Wales, Ministers 609w
National income, Wales 613w
Orange badge scheme 61w
Parliamentary questions, Administrative delays 331w
Police, Cost effectiveness 15
Police, Early retirement 3–4, 17
Police, Finance 15, 46–8w, 54w
Police, Manpower 15–6, 52w
Police, Performance standards 45w
Police grant, Essex 121w
Preventing Unsuitable People from Working with Children and Abuse of Trust Interdepartmental Working Group 60w
Road traffic control, Cameras 127–8w
Royal Welch Fusiliers, Wales 854–5
Territorial Army, Wales 853–4
Welsh Office, Cash limits 330–1w

Michael, Rt Hon Alun—continued
Welsh Office, Committee on Standards in Public Life 611w
Women's Royal Voluntary Service 46w
Young offenders, Administration of justice 48w

Michie, Mr Bill
Questions
Entry clearances 142w
Manufacturing industries, Trade competitiveness 289w

Michie, Mrs Ray
Debates etc.
Working Time Regulations (27.10.98) 228
Questions
Gaelic language, Teacher training 661–2

Microcredit programmes
Developing countries 581–2w

Mid Essex Hospital Services NHS Trust
Hospital waiting lists 416w

Middle East
Peace negotiations 141w, 870

Middle schools
School population 233w

Middleton Review
see Civil Justice and Legal Aid Reform Review

Midland Main Line
Rolling stock 572w

Midwives
416w
Safety 676w

Migration
Children 68w

Milburn, Rt Hon Alan, Minister of State, Dept of Health
Questions
Accident and emergency departments 676w
Agency nurses 620w
Agency nurses, Greater London 291–2w
Breast feeding 69w
Clinical psychologists 292–3w
Community hospitals 423–4w
Community hospitals, Hospital beds 424w
Diabetes, Medical equipment 70–1w
Drugs, Expenditure 66–7w, 539w
Drugs, Prices 66w
Ear nose and throat, Health service staff 69w
Emergency calls 67–8w
Eye tests, Afro-Caribbeans 294w
Health authorities, Finance 68–9w
Health improvement programmes 98w
Health service staff, Stress related illnesses 682w
Health service staff, Training 293–4w
Health visitors 532w, 620w
Hospital waiting lists 420–1w, 540w
Investing in dentistry initiative 290–1w
Medical records, Disclosure of information 73–4w
Medical records, Fees and charges 73w
Medical treatments 71w
Members' correspondence, Administrative delays 423w
Midwives 416w
Midwives, Safety 676w
Negligence 539w
NHS, Compensation 679–80w
NHS finance 71w
NHS trusts, Industrial health and safety 537w
Nurses, Vacancies 421–2w
Nurses, Vocational education 292w

Milburn, Rt Hon Alan—continued
Paramedical staff 195w
Pharmacists 419w
Physiotherapy, West Sussex 99w
Prescriptions 419w
Primary care groups 537–8w
Primary care groups, Accountability 97w
St Mary's Hospital Isle of Wight 416w
Social conditions, Dept of Health 423w
Tranquillisers, Residential care 417w
Venereal diseases, Kent 419–20w

Military aircraft
Cyprus 541–2w
Spare parts 351w
Tyres 112–3w

Military education
347w

Milk
Inflammatory bowel disease 620w

Milk Marque
Prices 430w

Millennium
Portsmouth (02.11.98) 651–60

Millennium Arts Festival for Schools
Church of England 439w

Millennium Commission
Annual reports 267–8w

Millennium compliance
450
Central government 358w
Defence equipment 548–9
Electricity supply industry 131w
Local authorities 10w
Nuclear power stations 508w
Scottish councils 484w

Millennium Exhibition
89w, 192–4w, 316w, 448
Admission charges 623w
Philosophy 623w
Public transport 303w, 641w
Sponsorship 129–31w, 623w

Miller, Mr Andrew
Questions
Economic and monetary union 685–6w
Lighters, Product safety 195–6w

MIND
Wales 329–30w

Mines
Bomb disposal 546–8
Kosovo 547

Minesweepers
Armed forces cadets 543

Minimum wage
284w, 288w, 329, 1002

Ministerial duties
Dept for Culture Media and Sport 320w
Environment protection 644–5w
Music therapy 234w
President of the Council 363w

Ministerial Group on Biotechnology and Genetic Modification
see Biotechnology and Genetic Modification Ministerial Group

Ministerial Group on Disabled People
see Disabled People Ministerial Group

Ministerial Group on Older People
598–9w

Ministerial resignations
Members' personal statements (02.11.98) 575–6

Ministerial statements
Economic policy (03.11.98) 681–702
International economic policy (02.11.98) 559–74
Iraq (03.11.98) 703–13
Safeguards against Abuse of Children Living Away from Home Review (05.11.98) 1011–23
Social security reform (28.10.98) 339–55

Ministers
National Assembly of Wales 609w
Security vetting 402w

Ministers' domestic visits
Mass media 191w
Prime Minister 3w

Ministers' visits abroad
China 140w
Colombia 144w
Cuba 585w
Dept of the Environment Transport and the Regions 160w
Foreign and Commonwealth Office 145–6w
Prime Minister 3w
Treasury 342w

Ministry of Agriculture Fisheries and Food
Public appointments 429w
Public expenditure 156–8w
Recycling 298w
Social conditions 560w

Ministry of Defence
Public appointments 205–6w

Misrepresentation
Personal pensions 685w, (03.11.98) 716–76, 1007–8

Missing persons
Cyprus 148–9w
Foreign and Commonwealth Office 273w

Mitchell, Mr Austin
Questions
Agricultural subsidies, Economic and monetary union 664w
Channel Islands and Isle of Man Financial Regulation Review 4–5
Competitiveness UK initiative 285w
Corporation tax, Shipping 42w
Emergency calls 67–8w
European Central Bank 339–40w
Genetically modified organisms, Food 151–2w
Hallmarking, Silver 370w
Interest rates 37w
Investment income, Taxation 227w
Law centres 476w
Millennium Exhibition 192–4w
Millennium Exhibition, Sponsorship 129–31w
New Millennium Experience, Performance standards 130–1w
Standing Committee on Regional Affairs 556
UK repayments from EC budget 340w

Mixed oxide fuel
Sellafield 16–7w, 312w, 454–5w

Mladic, Ratko
79w

MMR vaccine
617–8w
Autism 224–5w, 631w
Congenital abnormalities 617w
Inflammatory bowel disease 72w
Scotland 224–5w, 631w

MMR vaccine—continued

Modernisation of the House of Commons Select Committee
(05.11.98) 1114

Moffatt, Laura
Questions
Armed forces medical services 551
Trident 349–50w

Monetary compensatory amounts
152–4w, 614w

Monetary policy
1009

Monetary Policy Committee
686–7w

Monopolies
Supermarkets 137w

Moran, Ms Margaret
Debates etc.
Economic policy (26.10.98) 53
Economic situation (04.11.98) 881
Questions
Gaelic language, Northern Ireland 319
Home improvement agencies, Finance 255w
Housing associations, Rents 566–7w
Local government reform, Government grants 260–1w
Northern Ireland Assembly, Public expenditure 596w
Northern Ireland (Emergency Provisions) Act 1996 596–7w
Police, Performance standards 651w
Political refugees, Statistics 651w
Project Quantum 651w

Morgan, Mr Alasdair
Debates etc.
Business questions (05.11.98) 1029–30
Electoral systems (05.11.98) 1043, 1059–61
Questions
Airport tax 40w
EC grants and loans, Administrative costs 160–2w
EC grants and loans, Scotland 96w
Employment opportunities, Scotland 668
Hotel and catering industry, Scotland 631w
Motor vehicles, Imports 462w
Vocational education, Hotel and catering industry 593w

Morgan, Ms Julie
Questions
National Assembly of Wales, Day care of children 612–3w

Morgan, Mr Rhodri
Questions
EC grants and loans, Wales 609w

Morley, Mr Elliot, Parliamentary Under-Secretary of State, Ministry of Agriculture, Fisheries and Food
Debates etc.
Agriculture (03.11.98) 783–6
Agriculture, Regulatory systems (28.10.98) 313–8
Animal quarantine, Pets (29.10.98) 500–1, 507, 515, 521, 523–9
Questions
Agri-environment action plan 426w
Animal welfare, Cattle 560–1w
Coastal protection 297–8w
Common agricultural policy, Euro 426–7w
Common fisheries policy 427w
Countryside stewardship scheme 296–7w
Countryside stewardship scheme, Dorset 297w

Morley, Mr Elliot—continued
EC Fisheries Council 155–6w
Environmentally sensitive areas 561–2w
Farms, Industrial accidents 560w
Fishing catches 660w
Fishing limits 427w
Flood control, South West region 298w
Furs, Farms 427w
Horses, Export of live animals 562w
Ministry of Agriculture Fisheries and Food, Recycling 298w
New Forest, Tree felling 562w
Organic farming 154–5w, 298w
Public appointments, Ministry of Agriculture Fisheries and Food 429w
Salmon, Fishing catches 151–2w
Sea Fish Industry Authority, Fees and charges 660–1w
Social conditions, Ministry of Agriculture Fisheries and Food 560w
Supermarkets, Wastes 298w

Morris, Ms Estelle, Minister for School Standards, Dept for Education and Employment
Questions
Assisted places scheme 405w
Class sizes 231–2w, 406–8w, 657w
Educational finance, Hereford and Worcester 588–9w
Educational psychology, Pay 232w
"Excellence for All Children Consultation Paper" 591–2w
"Fair Funding Improving Delegation to Schools Consultation Paper" 515w
Local education authorities, Standard spending assessments 521–5w
Middle schools, School population 233w
National vocational qualifications, Educational standards 100w
Office for Standards in Education 518w
Primary education 590–1w
Primary education, School population 232–3w
Reading, Curriculum 100w
School Standards and Framework Act 1998, Green papers 518–20w
Schools, Hackney 101w
Sixth form education 526w
Standards and Effectiveness Unit 100–1w
Teachers, Working hours 405–6w

Morris, Rt Hon John, Attorney-General
Questions
Crimes against property, Fox hunting 110w
Crown Prosecution Service, Cash limits 299w
Crown Prosecution Service Review 540–1w
Davies, Ron, Treasury Solicitor's Dept 541w
Gee, Richard 1–2w
Prosecutions 2w, 540w

Mortgage defaulters
Repossession orders 247w

Mortgages
Income support 27–8w, 92–3w, 548w

Moss, Mr Malcolm
Questions
Agriculture, Northern Ireland 325
Hill farming, Wales 629–30w

Motor industry
Manpower 136w
West Midlands 510–1w

Motor vehicle theft
Crime prevention 498w

Motor vehicles
Fuel cells 137–8w, 302–3w
Imports 462w

Mowlam, Rt Hon Marjorie, Secretary of State for Northern Ireland
Questions
Belfast Agreement 208w, 320–1
Equal opportunities, Northern Ireland 326
Loyalist Volunteer Force 320
Northern Ireland (Emergency Provisions) Act 1996 596–7w
Northern Ireland government 208–9w, 320, 673–4w
Parliamentary questions, Administrative delays 367w
Prisoners' release, Northern Ireland 322
Royal Ulster Constabulary 597w
Secure psychiatric units, Northern Ireland 322
State visits, Northern Ireland 245w
Weapons, Northern Ireland 321

Mudie, Mr George, Parliamentary Under-Secretary of State, Dept for Education and Employment
Questions
Brewster Avenue School Peterborough, Members' correspondence 404–5w
Dept for Education and Employment, Cash limits 408–9w
Drama education, Finance 64–5w
Educational maintenance allowance 529w
Educational standards 101w
Further education, Costs 526w
Further education colleges, College governors 529w
Further education colleges, Schools 525–6w
GCE A Level 527w
GCE A Level, Physics 592–3w
Higher education admission 65w
Higher education teachers, Pay 64w
Individual learning accounts 531w
Parliamentary questions, Administrative delays 405w
"Partners in Europe Resource Pack for Schools" 658–9w
Public appointments, Dept for Education and Employment 515–8w
Skills Development Fund 236w
Student Loans Company, Performance standards 589–90w
Student wastage 235w
Students, Rural areas 234w
Training and enterprise councils, Expenditure 234–5w
Tuition fees 526w
Vocational guidance 520–1w
Vocational guidance, Contracts for services 657w
Vocational training, Conditions of employment 519–20w
Vocational training, Handicapped 170w

Mullin, Mr Chris
Debates etc.
Intelligence services (02.11.98) 603–6
Questions
Immobilisation of vehicles 53w
Metropolitan Police, Compensation 53w
Parliamentary recess 554–5
Social security appeal tribunals 266w
Terrorism, Police interrogation 114–5w
Tyne and Wear Metro, Sunderland 248w

Multilateral Agreement on Investment
132w, 870
Developing countries 132–3w, 202–3w
Film industry 197w
Regional development agencies 132w, 246w

Multilateral Agreement on Investment—continued
Welsh Development Agency 89w

Murphy, Mr Jim
Questions
Food Related Scientific Services in Scotland Review Group 635w
Northern Ireland Assembly 206–7w
Working families tax credit 865

Murphy, Mr Paul, Minister of State, Northern Ireland Office
Questions
Belfast Agreement 33w
Castle Gardens School Newtownards 215w
Civil service agencies, Fraud 212–4w
Educational standards, Northern Ireland 323
Equal opportunities, Northern Ireland 326–7
Flags, Northern Ireland 485–6w
Gaelic language, Northern Ireland 319
Homefirst Community HSS Trust, Northern Ireland 34–5w
Housing construction, Northern Ireland 595–6w
Integrated schools, Northern Ireland 323
Local government finance, Northern Ireland 209–10w
Northern Ireland Assembly 206–7w
Northern Ireland Assembly, Public expenditure 596w
Northern Ireland Bill 1997/98 34w
Northern Ireland Human Rights Commission 33–4w
Railway network, Northern Ireland 33w
School admission, Strangford 243–4w
Sportsgrounds, Safety standards 212w
Victoria School Newtownards 215w
Weapons, Northern Ireland 327

Museums and galleries
Admission charges 197w
Arms surplus sales 205w

Music education
317w

Music therapy
Ministerial duties 234w

MV Arco Arun
Shipping accidents 249–50w, 640w

MV Pacific Crane
Transport of radioactive materials 644w

National Air Traffic Services
90–1w, 109w
Joint public-private sector ventures 457w

National Assembly of Wales
860–1
Day care of children 612–3w
Ministers 609w

National Association for Mental Health
see MIND

National Bus Company
Pension funds 8w

National Grid for Learning
529–30w
Chorley 530w

National income
Wales 613w

National insurance contributions
690–1w

National Insurance Contributions Unit
see Social Security Contributions Agency

National Insurance Fund
31w

National Lottery
196–7w
Arts (05.11.98) 1115–22
Further education 197w
Hospices 198w

National Lottery Distribution Fund
Coal mine closures 336–8

National Meat Hygiene Service
see Meat Hygiene Service

National savings
38w
Children 614w

National tree week
Wales 609w

National vocational qualifications
Educational standards 100w

Nature Conservancy Council for England
Conflict of interests 457w

Naval Aircraft Repair Organisation
345w

Navigation
River Wye 6w

Navy
Income 356–7w
Radiography 18w

Naysmith, Dr Douglas
Questions
EC enlargement 142
Food Standards Agency 336

Negligence
539w

Nelli Committee
see Committee on Standards in Public Life

New deal for disabled people
399–400w, 657–8w

New deal for lone parents
548–9w
Chelmsford 175–6w
Housing benefits 549w
Income support 549w

New deal for young people
230w, 587–8w
Concessionary fares 229–30w
Expenditure 531w
Home Office 12–3
Police 13

New deal schemes
Dept of Trade and Industry 24–5w
Northern Ireland 324–5
Wales 608w

New Forest
Tree felling 166w, 562w
World heritage sites 267w

New Millennium Experience
Dept of Trade and Industry 368w
Performance standards 130–1w
Wales 612w

New Opportunities Fund
318w

Newhaven
Ports (04.11.98) 837–45

Newport
LG Semicon 612w

News at Ten
318w, 465w

NHS
Compensation 679–80w
Private finance initiative 539w

NHS finance
71w
Scotland 633–4w
Taxation 994

NHS trusts
Access to buildings 536–7w
Industrial health and safety 537w
Scotland 482w
Wales 612w

Nicaragua
Government buildings 80–1w

Nicholls, Mr Patrick
Debates etc.
Agriculture (26.10.98) 119, 123, (04.11.98) 963, 975–6
Intervention during business questions (05.11.98) 1026
Safeguards against Abuse of Children Living Away from Home Review (05.11.98) 1018

Nigeria
Heavily indebted poor countries initiative 338w

Nolan Committee
see Committee on Standards in Public Life

Non-domestic rates
Dorset 461–2w

Non-fossil fuel obligation
511–2w

Non-governmental organisations
Overseas aid 5w, 301w
Sudan 5–6w

Non-teaching staff
Working hours 405–6w

North American Free Trade Area (Parliamentary Commission) Bill 1997/98
Debates etc.
1R (29.10.98) 473

North East region
Exports 443–4
Redundancy 444–5

North Middlesex Hospital
Departmental correspondence 423w

North West region
EC grants and loans 288w

North Yorkshire
Police equipment 11–2

Northbrook College Worthing
Planning appeals 16w

Northern Ireland
Abortion 185–6w, 598w
Agriculture 325
Armed forces strength 443–4w
Army bases 445w
Autism 673–5w
Civil service agencies 212–4w
Crimes of violence 215w, 366–7w
Economic situation 208w, 324
Educational standards 323
Equal opportunities 326–7
Flags 485–7w
Force Research Unit 446w
Foreign investment in UK 675w
Gaelic language 319
Helicopters 441–3w
Homefirst Community HSS Trust 34–5w
Housing construction 595–6w
Integrated schools 207–8w, 323
Internal security operations 489–92w
Local government finance 209–10w
Mental health services 322
New deal schemes 324–5
Parliamentary questions 484w

Northern Ireland—continued
Police custody 485–6w
Prisoners' release 209w, 322, 488–9w
Proscribed organisations 363–5w
Railway network 33w
Right of silence 490w
Secure psychiatric units 322
Sportsgrounds 212w
State visits 245w, 367w
Student numbers 211–2w
Surveillance 443–4w
Terrorism 207w, 210–2w, 365–6w
Weapons 210w, 321, 327, 868–9

Northern Ireland Assembly
206–7w
Public expenditure 596w

Northern Ireland Bill 1997/98
Questions
34w

Northern Ireland (Emergency Provisions) Act 1996
Questions
596–7w

Northern Ireland government
208–9w, 320, 673–4w

Northern Ireland Human Rights Commission
33–4w, 403w

Northern Ireland Independent Commissioner for the Holding Centres
see Independent Commissioner for the Holding Centres

Northern Ireland Parades Commission
see Parades Commission

Northern Ireland Police Authority
see Police Authority for Northern Ireland

Nuclear accidents
Public records 62–3w

Nuclear disarmament
112w, 345–7w

Nuclear fuel reprocessing
Germany 513w

Nuclear power stations
Millennium compliance 508w

Nuclear safety
Dounreay 135–6w

Nuclear submarines
Health physics 19–20w, 221w, 353–4w

Nuclear weapons
353w
Defence procurement 20w
Russia 865–6

Nurses
Vacancies 421–2w
Vocational education 292w

Nursing homes
417–9w
Scotland 478–9w

Nutrition and health
Children 195–6w

Oaten, Mr Mark
Debates etc.
Social security (28.10.98) 345
Questions
Access to work programme 63w
Armed forces, Marriage 113–4w
Building regulations, Housing and handicapped 11–2w
Disability living allowance 32w
Disabled People Ministerial Group 405w
Disabled person's tax credit 691w
Orange badge scheme 61w

Oaten, Mr Mark—continued
Sellafield, Mixed oxide fuel 16–7w
Territorial Army, Winchester 18w

O'Brien, Mr Mike, Parliamentary Under-Secretary of State, Home Office
Questions
Haslar Prison, Immigrant detainees 57w
Illegal immigrants 181–3w
Immigrant detainees 53w
Immigrants, Domestic violence 374w
Immigrants' dependants, Immigration applications 57w
Immigration, Prosecutions 121–2w
Immigration and Nationality Directorate, Computers 50–1w, 116w
Immigration and Nationality Directorate, Manpower 115w
Immigration Appellate Authorities 61w
Immigration controls, Employment 119w
Political refugees 18–9, 49–50w
Political refugees, Administrative costs 116–7w
Political refugees, Albania 118w
Political refugees, Immigrant detainees 17–8
Political refugees, Immigration applications 48–9w, 51–2w, 181w
Political refugees, Immigration controls 374w
Political refugees, Kosovo 180–2w
Political refugees, Slovakia 51w
Prisoners, Deportation 120–2w
Religious discrimination, Crimes of violence 373–4w
Transsexuals 184w

O'Brien, Mr William
Debates etc.
Child Support Agency (26.10.98) 130
Questions
Local government finance, Northern Ireland 209–10w
National Lottery Distribution Fund, Coal mine closures 336–8
Police equipment, Radio 12
Sudan, Armed conflict 136–7

Obscene Publications Act 1959
Questions
387–8w
Convictions 387w

Occupational pensions
649–50w

OECD countries
Exports 91w

Office for Standards in Education
518w

Official cars
Dept of the Environment Transport and the Regions 163w
Theft 673w

Official engagements
122–3w

Official residences
401–2w

Official visits
126–8w
Chile 147w
Foreign and Commonwealth Office 147–8w

Offset arrangements
Aerospace industry 586w

Offshore structures
Wind power 446

O'Hara, Mr Edward
Debates etc.
Cyprus (28.10.98) 253, 256, 263–4
Questions
Ministerial Group on Older People 598–9w
Pensioners, Social security benefits 647–8w

Oilseed rape
Genetically modified organisms 568–9w

Older People Ministerial Group
see Ministerial Group on Older People

Olympic Games
7w

Oncology
Hospital consultants 97–8w

O'Neill, Diarmuid
500–1w

O'Neill, Mr Martin
Questions
Manufacturing industries, Interest rates 454
Regional selective assistance, Scotland 664

Open government
57–8w

Operation Lifeline Sudan
5–6w

Opik, Mr Lembit
Debates etc.
Agriculture (26.10.98) 93, 100, 106, 114–5
Agriculture, Regulatory systems (28.10.98) 312, 316
Economic situation, Russia (27.10.98) 243
Questions
Astrophysics 352–3w, 585w
Belfast Agreement 321
Farmers, Wales 857
Millennium Exhibition, Public transport 303w
Non-fossil fuel obligation 511–2w
Pigs 428w
Shrewsbury-Aberystwyth railway line, Railway freight transport 248–9w
Wind power 512–3w

Opposition
Civil servants 474w

Opposition days
Agriculture (04.11.98) 934–84
Economic situation (04.11.98) 877–933

Optoelectronics
Wales 268w

Orange badge scheme
61w

Organ, Mrs Diana
Debates etc.
Agriculture (04.11.98) 960–1

Organic farming
154–5w, 298w

Organisation for Security and Cooperation in Europe
Kosovo 411–2w

Organophosphates
Bovine spongiform encephalopathy 662w

Osborne, Ms Sandra
Questions
Intestacy, Scotland 481–2w
Water companies, External financing limits 224w

OSCE Convention on Conciliation and Arbitration
602w

Osteoporosis
681w

Ottaway, Mr Richard
Questions
Councillors, Local government reform 567w
Jubilee line 567w

Outer Space Act 1986
Questions
21w

Overseas aid
201w
Albania 200–1w, 448–9w
Alternative energy 450–2w
Audit 202w
Economic and Social Committee 3–4w
Family planning 302w
Joint funding scheme 3–4w
Kashmir 202w
Non-governmental organisations 5w, 301w
Poverty 301–2w
Sex eduation 302w
Sudan 300–1w, 630w

Overseas trade
Agricultural products 432–6w
Chile 369w, 626w
South Africa 138–9w

Overseas workers
Meat Hygiene Service 600w, 663w

Ozone layer
EC action 573w

Pacific Crane
see MV Pacific Crane

Packaging
Recycling 456w

Page, Mr Richard
Questions
Alternative energy 446
Territorial Army 548

Paice, Mr James
Debates etc.
Agriculture (04.11.98) 955
Agriculture, Regulatory systems (28.10.98) 314
Animal quarantine, Pets (29.10.98) 485, 505, 519–23, 527, 529
Questions
Unemployment 336
Welsh Highland Railway 189–90w

Paignton
Redundancy 64w

Paisley
Clinics 661

Palmer, Dr Nick
Debates etc.
Animal quarantine, Pets (29.10.98) 481–2, 499, 501, 504, 516–7, 524–5
World Trade Organisation, Environment protection (28.10.98) 281–3

Paracetamol
296w
Death 187w

Parades Commission
207w

Paramedical staff
195w

Parcelforce
285w

Parenting orders
385w

Parish councils
462w

Parking
Royal parks 267w

Parkinson's disease
68w

Parliamentary Boundary Commission for England
see Boundary Commission for England

Parliamentary Commissioner for Administration
Recruitment 246w

Parliamentary questions
Administrative delays 299w, 312w, 322w, 326w, 331w, 333w, 342w, 356w, 367w, 372w, 390w, 399w, 405w, 414w, 423w
Northern Ireland 484w

Parliamentary recess
553–5

"Partners in Europe Resource Pack for Schools"
658–9w

Part-time employment
EC law 286–7w

Party conferences
Security 177w

Passengers
London airports 565–6w

Patents
22w

Paterson, Mr Owen
Debates etc.
Agriculture (04.11.98) 949, 951–2, 963, 974–5
Army (28.10.98) 415, 424–7
Questions
Agriculture, Wales 609–10w
Beef, Scotland 671
Conditional fee agreements 675–6
Export promotion, Chile 288w
Overseas trade, Chile 369w, 626w

Patten Commission
see Independent Commission on Policing for Northern Ireland

Pay and Personnel Agency
Relocation of employees 206w

Pay television
Sports (28.10.98) 303–9

Peace keeping operations
Territorial Army 552
United Nations 551–2

Peace negotiations
Kashmir 148–9
Kurds 412–3w
Middle East 141w, 870
Sierra Leone 637w

Pearson, Mr Ian
Questions
British Waterways Board 165–6w
Business, Universities 450
EC enlargement 146
Economic situation, Northern Ireland 324
Inland waterways, Freight transport 303–4w
Inland waterways, Tourism 304–5w
Travelling people, Caravan sites 169w

Pembrokeshire Coast National Park
557w

Pendry, Mr Tom
Questions
AIDS support grant 98w

Pension funds
National Bus Company 8w

Pensioners
Concessionary fares 566w
Income support 27w
Investment income 37w, 341w, 686w
Personal income 25–6w, 392w, 547–8w
Population studies 647w
Social security benefits 647–8w

Pensions review
392w

People's Panel
245–6w

Perham, Ms Linda
Questions
Middle East, Peace negotiations 141w, 870

Personal income
Pensioners 25–6w, 392w, 547–8w

Personal injury compensation
Treasury 341w

Personal pensions
Misrepresentation 685w, (03.11.98) 716–76, 1007–8

Personal records
Special branch 578w

Personal savings
91w
Taxation 999–1000

Personal social services
Expenditure 676–7w

Personal tax allowances
994

Pesticides
Disclosure of information 559w
Genetically modified organisms 561w

Pesticides Act 1998
Questions
559w

Pets
Animal quarantine (29.10.98) 474–529

Pharmaceutical price regulation scheme
66w

Pharmacists
419w

Philips Electronics
192w

Phillips Inquiry
see Bovine Spongiform Encephalopathy and Creutzfeld Jakob Disease Inquiry

Philosophy
Millennium Exhibition 623w

Physical education
528w

Physics
GCE A Level 592–3w

Physiotherapy
West Sussex 99w

Pickles, Mr Eric
Questions
Chile, Foreign relations 140–1
New deal for lone parents 548–9w
New deal for lone parents, Housing benefits 549w
New deal for lone parents, Income support 549w

Pickthall, Mr Colin
Debates etc.
Animal quarantine, Pets (29.10.98) 493–7

Pickthall, Mr Colin—continued
Questions
EC grants and loans, North West region 288w
Limestone, Environment protection 258w

Piers
102w

Pigment
Armed forces catering services 155w

Pigs
428w, 665w

Pike, Mr Peter L
Debates etc.
Electoral systems (05.11.98) 1079–81
Questions
Kashmir, Peace negotiations 148–9
Land use, Data banks 455–6w
Leasehold housing 644w
Minimum wage 1002
Transsexuals 184w
Working families tax credit 334

Pilot schemes
Crime prevention 8–9
Marriage guidance 477w

Pinochet, Augusto
56–7w, 81–2w, 123–6w, 140–2, 146–7w, 150–1, 184w, 220–1w, 273–4w, 334–5, 370w, 402–3w, 505–6w, 579w, 600–1w, 626w, 635–6w

Planning appeals
16w
Northbrook College Worthing 16w

Planning permission
11w, 165w
Aerials 160w
Freehold land 575w, 624w
Leisure facilities 165w
Meale, Alan 259w, 308–9w
Supermarkets 15w
Wind power 461w

Plaskitt, Mr James
Debates etc.
Economic policy (26.10.98) 51, 71
Electoral systems (05.11.98) 1103–4
Questions
Government Communications Headquarters, Civil service recruitment 603w
Millennium Commission, Annual reports 267–8w

Play groups
Wales 628–9w

Polegate bypass
573w
Compensation 10w

Police
Cost effectiveness 15
Dogs 16, 374–5w
Early retirement 3–4, 17
Finance 15, 46–8w, 54w, 497–8w
Greater London 15
Manpower 15–6, 52w, 656w
New deal for young people 13
Performance standards 45w, 651w
Public expenditure 44w
Racial discrimination (04.11.98) 807–29
Road traffic control 177–8w

Police and ethnic minorities
Scotland 630–1w

Police Authority for Northern Ireland
Buildings 493w
Manpower 491–4w

Police custody
Northern Ireland 485–6w

Police deaths on duty
Fletcher, Yvonne 47w

Police discipline
48w

Police equipment
575w
North Yorkshire 11–2
Radio 11–2

Police grant
Essex 121w

Police interrogation
Terrorism 114–5w

Police national computer
502w

Police pensions
Early retirement 7
Gloucestershire Constabulary 7–8
Widows 240w

Police records
Criminal Injuries Compensation Board 504–5w

Policing for Northern Ireland Independent Commission
see Independent Commission on Policing for Northern Ireland

Political refugees
18–9, 49–50w, 507–8w, 651–2w
Administrative costs 116–7w
Albania 118w
Czech Republic 51w
EC action 374w
Essex 51w, 71–2w
Government grants to local authorities 71–2w, 537w
Immigrant detainees 17–8
Immigration appeals 237w, 676–7
Immigration applications 48–9w, 51–2w, 181w
Immigration controls 51w, 374w
Kosovo 180–2w
London boroughs 240–1w, 537w
Slovakia 51w
Social security benefits 392–4w
Statistics 651w
Venereal diseases 419–20w

Politics and government
Indonesia 144w

Polkinghorne Committee
see Genetic Testing Advisory Committee

Pollard, Mr Kerry
Questions
Police, Performance standards 45w
Pregnancy 688–9w
Science budget 136–8w

Polling stations
Access to buildings 670
Scotland 670

Pond, Mr Chris
Debates etc.
International economic policy (02.11.98) 572
Social security (28.10.98) 354
Questions
Armed forces recruitment, Ethnic minorities 344w
Equal opportunities, Northern Ireland 326–7
MV Arco Arun, Shipping accidents 249–50w
Personal pensions, Misrepresentation 685w

Pond, Mr Chris—continued
Thames flood barrier, Repairs and maintenance 249w

Population studies
Pensioners 647w

Pornography
387–8w
Children 387–8w

Ports
Newhaven (04.11.98) 837–45

Portsmouth
Defence land 357–8w
Millennium (02.11.98) 651–60

Post Office
22w, 283w
External financing limits 192w

Post offices
Social security payments 21w

Postal services
EC countries 22w

Poverty
Overseas aid 301–2w

Powell, Sir Ray
Questions
Territorial Army, Wales 853–4

Power industry
Regulatory systems 284w

Powys
Child protection registers 859

Pregnancy
679w, 688–9w
Medical research 624–5w

Premium bonds
44w

Prentice, Mr Gordon
Debates etc.
Agriculture (26.10.98) 101
Electoral systems (05.11.98) 1047, 1104–5
European Parliamentary Elections Bill, Lords amendts (27.10.98) 169
Questions
Aerospace industry, International cooperation 448
Antibiotics, Animal feed 216–7w
Antibiotics, Hormone treatments 289–90w
Archaeological sites, Surveys 102w
Bankruptcy 367w
Channel tunnel, Railway network 305w
Church buildings, Theft 439w
Demonstrations, Drumcree 211w
Disinfectants 23w
Freight facilities grant 17w
Judges 616w
Police, Dogs 16

Prescott, Rt Hon John, Deputy Prime Minister and Secretary of State for the Environment Transport and the Regions
Questions
British Government Panel on Sustainable Development 261–2w
Community development 167–9w
Dept of the Environment Transport and the Regions, Cash limits 463–5w
Dept of the Environment Transport and the Regions, Official cars 163w
Environment protection, Tibet 14w

Prescription charges exemptions
Cancer 96–7w

Prescription drugs
Prisoners 119–20w

Prescriptions
419w

Prescriptions—continued
Analgesics 196w

President of the Council
Cash limits 361–2w
Ministerial duties 363w
Public appointments 358–62w

Preventing Unsuitable People from Working with Children and Abuse of Trust Interdepartmental Working Group
60w

Prevention of Terrorism (Temporary Provisions) Act 1989
Questions
499–500w, 578w
Scotland 483w

Primarolo, Ms Dawn, Financial Secretary to the Treasury
Questions
Airport tax 40w
Alcoholic drinks duties 696w
Betting and gaming duties 185w
Betting and gaming duties, Gaming machines 42w
Capital gains tax 447w
Child care tax credit 41w
Corporation tax, Shipping 42w
Corporation tax, Tax harmonisation 448w, 1000
Customs and Excise, South East region 689–90w
Disabled person's tax credit 691w
Duty free allowances 447–8w
Excise duties, Smuggling 36–7w
Financial services, Regulatory systems 1000
Income tax, Tax harmonisation 226w
Income tax on fluctuating incomes, Farm incomes 615–6w
Inland Revenue, Cash limits 343w
Investment, Small businesses 1010
Investment income, Taxation 37w, 227w, 341w, 686w
Members' correspondence, Administrative delays 342w
National insurance contributions 690–1w
Personal savings, Taxation 999–1000
State earnings related pension scheme, Tax allowances 42–3w
Tax avoidance 693w
Tax evasion 38w
Taxation, Charities 40w
Taxation, Child benefit 41w
Taxation, Football 1000–1
Taxation, Law reform 227w
Tobacco duties, Tax yields 447w
VAT, Golf 692w
VAT, Home care services 43w, 448w
VAT, Sports facilities 41–2w
VAT, Tourism 185w
VAT registration 41w, 90w
VAT registration, Small businesses 41w
VAT (Sport Sports Competitions and Physical Education) Order 1998 42w, 693–4w
Withholding tax 686w
Working families tax credit 91–2w

Primary care groups
537–8w
Accountability 97w

Primary education
590–1w
School admission 231w
School population 232–3w
Teachers 527w
Wales 613w

Prime Minister
Ministers' domestic visits 3w

Prime Minister—continued
Ministers' visits abroad 3w
Virgin Rail 3w

Prime Minister's questions
555–6

"Principles into Practice Consultation Paper"
(28.10.98) 339–55

Prior, Mr David
Debates etc
Agriculture, Regulatory systems (28.10.98) 310–4
Questions
Dept of Social Security, Sanitation 606w
Income support, Capital rules 395w
Pensions review 392w
Pornography 387–8w
Pornography, Children 387–8w
Redundancy, Scotland 483–4w
Retirement pensions, British residents abroad 392w

Prison education services
47w

Prison riots
Holloway Prison 120w

Prison sentences
Burglary 6–7
Social security abuse 6

Prison staff
Redundancy 325

Prison visits
Access to buildings 375–6w, 498w
Belmarsh Prison 498w

Prisoners
Army in Northern Ireland 210w, 445–6w
Deportation 120–2w
Dubai 88w
Prescription drugs 119–20w
Proscribed organisations 490w
Television 10–1
Tranquillisers 59–60w

Prisoners on remand
Young offenders 652–3w

Prisoners' release
Northern Ireland 209w, 322, 488–9w

Prisoners' transfers
Republic of Ireland 500w

Private finance initiative
Local government 452w
London Fire and Civil Defence Authority 58–9w
NHS 539w

Privatisation
Bus services 642w
Commonwealth Development Corporation 301w

Probation and aftercare
505w

Procedure Select Committee
(05.11.98) 1114

Procurement
USA 129w

Product safety
Lighters 195–6w

Productivity
685w, 994–5, 1004–5
Germany 1006

Project Quantum
651w

Property transfer
Armed forces housing 222w

Property transfer—continued
Council housing 305–6w

Proscribed organisations
Arrests 482–3w, 499–500w
Northern Ireland 363–5w
Prisoners 490w
Scotland 482–3w

Prosecutions
1–2w, 540w
Immigration 121–2w
Social security abuse 263–4w

Prosser, Mr Gwyn
Debates etc.
Animal quarantine, Pets (29.10.98) 487–9, 491
World Trade Organisation, Environment protection (28.10.98) 287

Prosthetics
67w

Prostitutes Advertisements (Public Telephone Boxes) Bill 1997/98
Debates etc.
1R (28.10.98) 358–9

Public Accounts Committee
(05.11.98) 1114

Public Analyst Services Review Group
218w

Public appointments
Cabinet Office 671–3w
Criminal Injuries Compensation Board 502–3w
Dept for Culture Media and Sport 320–2w, 467–72w, 627w
Dept for Education and Employment 515–8w
Dept for International Development 203–4w
Dept of the Environment Transport and the Regions 253–4w
Dept of Trade and Industry 194w
Foreign and Commonwealth Office 271–3w
Home Office 184w
Lord Chancellor's Dept 333–7w
Ministry of Agriculture Fisheries and Food 429w
Ministry of Defence 205–6w
President of the Council 358–62w
Scottish Office 323w
Treasury 694–5w
Urban Task Force 309–10w

Public expenditure
340–1w
Agriculture 613–4w
Dept for Culture Media and Sport 466w
Ministry of Agriculture Fisheries and Food 156–8w
Northern Ireland Assembly 596w
Police 44w
Scotland 478w, 480w, 614–5w

Public finance
39–40w

Public opinion
Transport policy 310w

Public order policing
World Cup 653w

Public petitions
Social security benefits (04.11.98) 984
Social services (28.10.98) 435

Public records
Fees and charges 675
Nuclear accidents 62–3w

Public sector debt
38–9w

Public sector net cash requirement
90w, 684w

Public sector pay
Scotland 482w

Public service
Autism 558–9w

Public transport
310–1w
Disadvantaged 257–8w
Millennium Exhibition 303w, 641w
Restrictive trade practices 166w
West Midlands 257w

Public utilities
Road works 262–3w

Publications
Children 388w
European Communities 171w

Publicity
Economic and monetary union 686w
Electoral systems 669–71
Euro 131w, 171–2w

Purchase, Mr Ken
Debates etc.
Industrial health and safety (04.11.98) 788, 791
Questions
Commonwealth Development Corporation, External financing limits 450w
Companies, Government assistance 451

Quin, Rt Hon Ms Joyce, Minister of State, Foreign and Commonwealth Office
Debates etc.
Cyprus (28.10.98) 251, 269–71
Questions
Agenda 2000 144, 144w
Agenda 2000, EC transport policy 143–4
Agenda 2000, South Yorkshire 143–4
British dependent territories 78w
Council of Ministers 276–82w
Cyprus 542–3w
Cyprus, Military aircraft 541–2w
Cyprus, Missing persons 148–9w
Cyprus, UN resolutions 147–50w
EC common foreign and security policy 413w
EC enlargement 142–3, 145
EC Foreign Affairs Council 409–11w
European Commission 143–4w
Germany, Defence equipment 151–2
Germany, Foreign relations 151
Gibraltar 85–7w, 142w, 144–5, 543w, 636w
Gibraltar, Territorial waters 86–8w, 413w
Israel, EC external trade 541w
Turkey, Human rights 199w, 541w

Quinn, Mr Lawrie
Questions
EC Fisheries Council 155–6w

Rabies
EC countries 663w

Racial discrimination
Police (04.11.98) 807–29

Radice, Mr Giles
Debates etc.
Electoral systems (05.11.98) 1049–50, 1063

Radio
Police equipment 11–2
Serbia 270w

Radioactive waste disposal
RNAD Trecwn 90w, 540
Sellafield 312w

Radioactive Waste Management Advisory Committee
306w

Radioactive wastes
453–4w, 564w
Dounreay 453–4w
EC action 564–5w
Sellafield 453–4w, 513–4w

Radiography
Navy 18w

Radiotherapy
Breast cancer 323w

Railtrack
Performance standards 307w

Railway accidents
Fox hunting 108w

Railway fares
109w

Railway freight transport
167w
Shrewsbury-Aberystwyth railway line 248–9w
West Midlands 256w

Railway land
103–4w

Railway network
Channel tunnel 167w, 305w
Northern Ireland 33w
Rural areas 14w

Railway safety
Level crossings 305w

Railway stations
Deeside industrial park 6w

Rammell, Mr Bill
Debates etc.
Economic policy (03.11.98) 700
Working Time Regulations (27.10.98) 229–30
Questions
EC Social Charter, Trade competitiveness 453
Economic and monetary union, Publicity 686w
European Commission 143–4w

Randall, Mr John
Questions
Chile, Scouts and guides 602w
Police, Finance 15
Serbia, Radio 270w

Rapson, Mr Syd
Debates etc.
Millennium, Portsmouth (02.11.98) 656–7
Questions
Naval Aircraft Repair Organisation 345w

Raynsford, Mr Nick, Parliamentary Under-Secretary of State, Dept of the Environment Transport and the Regions
Debates etc.
Leasehold valuation tribunals (28.10.98) 438–42
Questions
Aerials, Planning permission 160w
Best value, Local government services 308w
Building industry, Trade promotion 250–3w
Building regulations, Fire prevention 452–3w

Raynsford, Mr Nick—continued
Building regulations, Housing and handicapped 11–2w
Compulsory purchase 106w
Council housing, Property transfer 305–6w
Council tax, Second homes 9w
Councillors, Local government reform 567w
Councillors, Women 643–4w
Dept of the Environment Transport and the Regions, Business interests 250w
Freehold land, Planning permission 575w
Greater London Authority, Buildings 10w
Homelessness, Young people 312–3w
Housing associations, Regulatory systems 640–1w
Housing associations, Rents 566–7w
Housing construction 102–3w
Housing construction, Derelict land 639w
Land use, Data banks 455–6w
Leasehold housing 642w, 644w
Leisure facilities, Planning permission 165w
Local government reform 457w, 459–60w
Non-domestic rates, Dorset 461–2w
Northbrook College Worthing, Planning appeals 16w
Parish councils 462w
Planning appeals 16w
Planning permission 11w, 165w
Rent control 8w
Repossession orders, Mortgage defaulters 247w
Social rented housing 104–5w
Supermarkets 307–8w
Supermarkets, Planning permission 15w
Travelling people, Caravan sites 169w
Wind power, Planning permission 461w

Reading
Curriculum 100w

Reception classes
Government grants to local authorities 227w

Recruitment
Legal profession 475w
Metropolitan Police 19–20
Parliamentary Commissioner for Administration 246w

Recycling
Edmonton 638w
Lewisham 638w
Ministry of Agriculture Fisheries and Food 298w
Packaging 456w

Redundancy
Jobseeker's allowance 398–9w
Manufacturing industries 331–3
North East region 444–5
Paignton 64w
Prison staff 325
Scotland 483–4w
Swansea 611w

Redwood, Rt Hon John
Debates etc.
Working Time Regulations (27.10.98) 213–20, 225–6, 232–5, 238
Questions
Assisted areas 133–4w
Business start-up scheme 626w
Foreign investment in UK 133–4w
High technology, Small businesses 450–1
Manufacturing industries, Interest rates 454–5
Siemens, Regional selective assistance 626w
Temporary employment 133w
Trade competitiveness 194w

Reed, Mr Andrew
Debates etc.
Animal quarantine, Pets (29.10.98) 503–6, 527
Army (28.10.98) 397–400, 405
Questions
Home Office, Cash limits 388–9w
President of the Council, Cash limits 361–2w

Referendums
EC internal trade 59w
Electoral systems 329

Reg(EEC)2377/90
427–8w

Regional airports
Air routes 313–4w

Regional development agencies
Multilateral Agreement on Investment 132w, 246w

Regional selective assistance
133–4w, 287w
Scotland 324w, 664
Siemens 626w
Wales 329w

Regulatory systems
Agriculture (28.10.98) 310–8
Financial services 1000
Housing associations 640–1w
Power industry 284w
Residential care of children 196w
Security industry 53w

Reid, Rt Hon Dr John, Minister for Transport, Dept of the Environment Transport and the Regions
Questions
Channel tunnel, Railway network 305w
National Air Traffic Services, Joint public-private sector ventures 457w
Railway freight transport 167w
Road works, Public utilities 262–3w

Reigate
Territorial Army 628w

Religious discrimination
Crimes of violence 239w, 373–4w

Relocation of employees
Pay and Personnel Agency 206w

Remploy
656–7w

Rendel, Mr David
Questions
Crime 45w
Maintenance, Children 606–7w
Social Security Contributions Agency, Computers 603–6w, 647w
State earnings related pension scheme, Widows 553–4w

Rent arrears
Repossession orders 247w

Rent control
8w

Rents
Armed forces housing 222w
Housing associations 566–7w

Repossession orders
659w
Mortgage defaulters 247w
Rent arrears 247w

Republic of Ireland
Prisoners' transfers 500w

Residential care
Capital rules 95w

Residential care—continued
Inspections 538w
Tranquillisers 417w

Residential care of children
Regulatory systems 196w

Resignations
Health service staff 296w

Restraint equipment
575w

Restrictive trade practices
Public transport 166w

Retirement pensions
Age addition 547w
British residents abroad 27w, 266w, 391–2w
Social security benefits uprating 27w
Social security payments 31w, 95w

Revenue support grant
459–60w

"Review of the Crown Prosecution Service Consultation Paper"
540–1w

Reviews
Dept for Culture Media and Sport 316w

Riches Working Group
see Smaller Quoted Companies Working Group

Right of silence
Northern Ireland 490w

Rights of audience
Solicitors 475–6w

Rights of way
311w

River Dart
Departmental correspondence 575w

River Wye
Navigation 6w

RNAD Trecwn
Radioactive waste disposal 90w, 540

RNAS Portland
539–40

Road accidents
A49 10–1w
Suffolk 258w

Road construction
16w

Road freight transport
104w

Road haulage industry
106–8w

Road safety
108–9w
Cycling 163w

Road signs
Greater London 14w

Road tax
110w
Lorries 37–8w, 692w

Road traffic
458–9w
Hydrocarbon oil duties 302w

Road traffic control
Cameras 127–8w, 178w
Central London 642w
Gloucestershire 177–8w
Police 177–8w

Road works
A12 108w
Public utilities 262–3w

Road works—continued
Woolwich 573w

Robathan, Mr Andrew
Debates etc.
Army (28.10.98) 362, 371–2
Electoral systems (05.11.98) 1034
European Parliamentary Elections Bill, Lords amendts (27.10.98) 174–5
Iraq (03.11.98) 713
Police, Racial discrimination (04.11.98) 812–4, 822
Questions
Terrorism, Northern Ireland 207w

Robertson, Rt Hon George, Secretary of State for Defence
Debates etc.
Army (28.10.98) 429
Questions
Aircraft carriers 351w
Antiaircraft missiles 541
Armed forces catering services, Beef 541–2
Armed forces medical services, Finance 344–5w
Armed forces strength, Northern Ireland 443–4w
Arms trade, Chile 441w
Arms trade, Commonwealth of Independent States 414–5w
Army bases, Repairs and maintenance 445w
Army in Northern Ireland 443–4w
Army in Northern Ireland, Prisoners 445–6w
Ballistic missile defence 112w
Chemical and biological warfare, Treaties 110–1w
Chemical weapons, Sudan 19w
Defence Analytical Services Agency, British Aerospace 21w
Defence equipment, Millennium compliance 548–9
Defence industries, Diversification 628w
European fighter aircraft 540–1
Force Research Unit, Northern Ireland 446w
Helicopters, Northern Ireland 442–3w
Military education 347w
Mines, Bomb disposal 546–8
Mines, Kosovo 547
Navy, Income 356–7w
Nuclear disarmament 112w, 345–7w
Nuclear weapons 353w
Pinochet, Augusto 220–1w
Territorial Army 343w
Territorial Army, Peace keeping operations 552
Trident 349–50w
Trident missiles 20w, 221w, 350w
Trident submarines 18–9w, 350–1w
United Nations, Peace keeping operations 551–2
WE 177 nuclear bomb, Decommissioning 18w

Robertson, Mr Laurence
Debates etc.
Personal pensions, Misrepresentation (03.11.98) 738, 749, 766–8
Questions
Bovine spongiform encephalopathy, Disease control 425w, 429w
British Waterways Board 165–6w
Coroners 240w
Criminal records, Disclosure of information 179w
Electoral register 178w
Firearms, Compensation 179–80w
Kosovo 199–200w

Robertson, Mr Laurence—continued
"Partners in Europe Resource Pack for Schools" 658–9w
Pay and Personnel Agency, Relocation of employees 206w
Personal pensions, Misrepresentation 1007–8
Political refugees, Kosovo 180–2w
Residential care of children, Regulatory systems 196w
Road traffic control, Cameras 178w
Road traffic control, Police 177–8w
Shops, Rural areas 166–7w
Tibet 199w
Unimerco 287w
VAT, Tourism 185w

Robinson, Mr Geoffrey, Paymaster General
Debates etc.
Personal pensions, Misrepresentation (03.11.98) 753
Questions
Agricultural productivity 1005–6
Economic situation 683w
High technology, Small businesses 448w
Productivity 1004–5
Productivity, Germany 1006

Robinson, Mr Peter D
Questions
State visits, Northern Ireland 245w, 367w

Roche, Mrs Barbara, Parliamentary Under-Secretary of State, Dept of Trade and Industry
Questions
Assisted areas 23w
British Petroleum, Arms exports 132w
Digital television, Air pollution 24w
EC grants and loans 447–8
EC grants and loans, Berwick upon Tweed 284w
EC grants and loans, Merseyside 447
EC grants and loans, North West region 288w
EC grants and loans, Staffordshire 585w
Economic and monetary union 456–7
Economic situation, Coastal areas 24w
Export controls 282–3w
Information society initiative 287w
Manufacturing industries, Greater London 284w
Regional selective assistance 287w
Small businesses 289w
Small businesses, Debts 371–2w
Small businesses, Employment opportunities 455–6
Small businesses, Interest rates 456
Unimerco 287w

Roe, Mrs Marion
Questions
Social conditions, Dept of Health 423w
Social conditions, Dept of Social Security 394w
Social conditions, Dept of the Environment Transport and the Regions 312w
Social conditions, Dept of Trade and Industry 585w
Social conditions, Ministry of Agriculture Fisheries and Food 560w

Rogers, Mr Allan
Debates etc.
Intelligence services (02.11.98) 587, 595–8, 604, 620, 623, 633, 640
Questions
Small businesses, Wales 855–6

Rogers of Riverside Task Force
see Urban Task Force

Rolling stock
Connex Rail 574–5w
Midland Main Line 572w

Rooker, Mr Jeff, Minister of State, Ministry of Agriculture, Fisheries and Food
Debates etc.
Agriculture (26.10.98) 87–98, 102, 124–5, (04.11.98) 977–8
Questions
Agricultural land, Land acquisition 559–60w
Agricultural land, Waste disposal 431–2w
Agricultural products, Overseas trade 432–6w
Agricultural products, Prices 436–8w, 665w
Agricultural subsidies 154w
Agricultural subsidies, Economic and monetary union 664w
Agricultural workers, Pay 666w
Agriculture 559w
Animal feed, Antibiotics 216–7w
Badgers 432w
Beef, Armed forces catering services 424w
Beef premiums, Administrative delays 77w
Bovine spongiform encephalopathy, Animal feed 429w
Bovine spongiform encephalopathy, Compensation 152w, 426w, 662w
Bovine spongiform encephalopathy, Departmental correspondence 216w
Bovine spongiform encephalopathy, Disease control 77w, 425w, 429w, 599–600w, 664–6w
Bovine Spongiform Encephalopathy and Creutzfeld Jakob Disease Inquiry 662w
Bovine tuberculosis 156w
Bovine tuberculosis, Compensation 665w
Crops 76w
Farm incomes 560w
Farmers, Age 429–30w
Farmers, Early retirement 599w
Farmers, Loans 559w
Genetically modified organisms, Crops 661–2w
Genetically modified organisms, Food 151–2w
Genetically modified organisms, Pesticides 561w
Genetically modified organisms, Seeds 661w
Green pound, Compensation 424–5w
Hill livestock allowances, EC countries 215–6w
Horse meat 153w
Horses, Veterinary drugs 153–4w, 427–8w
Meat, Hormones 430–1w
Meat, Standards enforcement 431w
Meat, Tranquillisers 430w
Meat Hygiene Service, Veterinary medicine 600w, 663w
Milk Marque, Prices 430w
Monetary compensatory amounts 152–4w
Pesticides, Disclosure of information 559w
Pigs 428w, 665w
Public Analyst Services Review Group 218w
Rabies, EC countries 663w
Slaughterhouses, Inspections 663–4w
Tobacco, Agricultural subsidies 637–8w

Rooney, Mr Terry
Debates etc.
Social security (28.10.98) 345
Questions
Immigration applications 384w
Remploy 656–7w

Ross, Mr Ernie
Debates etc.
Iraq (03.11.98) 711

Ross, Mr William
Debates etc.
Electoral systems (05.11.98) 1048, 1050–3
Questions
Agricultural productivity 1005–6
Crimes of violence, Northern Ireland 215w, 366–7w
Proscribed organisations, Northern Ireland 363–5w
Salmon, Fishing catches 74w, 151–2w, 190w
Terrorism, Northern Ireland 365–6w

Rover Group
289w

Rowe, Mr Andrew
Debates etc.
Social security (28.10.98) 347
Questions
Church of England, Millennium Arts Festival for Schools 439w

Rowlands, Mr Ted
Questions
Floods, Wales 859–60
Manufacturing industries, Interest rates 286w

Royal Irish Regiment
355–6w, 440–1w

Royal Naval Air Service
Armed forces discharges 352w
Armed forces training 352w, 354w

Royal Naval Hospital Haslar
550–1

Royal parks
Parking 267w

Royal Ulster Constabulary
597w
Firearms 487–8w
Manpower 487w

Royal Welch Fusiliers
Wales 854–5

Royalties
Art works 372w

Ruane, Mr Chris
Questions
Council house sales, Wales 555w
National income, Wales 613w

Ruddock, Ms Joan
Debates etc.
Intelligence services (02.11.98) 626–9

Ruffley, Mr David
Debates etc.
Economic policy (26.10.98) 32, 46, 55, 74
European Parliamentary Elections Bill, Lords amendts (27.10.98) 194–6, 204–5
Questions
Cabinet committees 141w
EC enlargement 141–2w
Economic growth 91w
Personal tax allowances 994
Road accidents, Suffolk 258w

Rural action initiative
461w

Rural areas
Courts 331–2w
Railway network 14w
Shops 166–7w
Students 234w

Rural Partnership for Wales
610–1w

Rushdie, Salman
198–9w

Russell, Bob
Debates etc.
Army (28.10.98) 423–4
Questions
Arms surplus sales, Museums and galleries 205w
Cyprus, Missing persons 148–9w
Cyprus, UN resolutions 147–50w
Fire engines 240w
Fire services, Industrial disputes 54w
Housing associations, Regulatory systems 640–1w
Magistrates' courts 678–9
National Bus Company, Pension funds 8w
Nurses, Vocational education 292w
Police, Finance 46w
Police grant, Essex 121w
Premium bonds 44w
Recycling, Edmonton 638w
Retirement pensions, Social security payments 31w
St Helena, British citizenship 143w
Taxation, Football 1000–1
VAT, Home care services 43w, 448w
VAT registration 90w

Russell, Ms Christine
Questions
Organisation for Security and Cooperation in Europe, Kosovo 411w

Russia
Chemical and biological warfare 148
Economic situation (27.10.98) 242–50
Know-how Fund 300w
Nuclear weapons 865–6

Safeguards against Abuse of Children Living Away from Home Review
Ministerial statements (05.11.98) 1011–23
Scotland 634–5w

Safety belts
Buses 247–8w

Safety standards
Sportsgrounds 212w, 315w

Sainsbury of Turville, Lord
134w

St Aubyn, Mr Nick
Debates etc.
Economic situation (04.11.98) 927
Personal pensions, Misrepresentation (03.11.98) 718–9
Questions
Higher still development programme, Scotland 666–7
Personal pensions, Misrepresentation 1008
Redundancy, Swansea 611w

St Helena
414w
British citizenship 78w, 143w, 655w

St Mary's Hospital Isle of Wight
416w

Sales promotions
Consumer protection 373w

Salmon
Fish conservation 73–4w
Fish diseases 223–4w
Fish farming 75w
Fishing 75w
Fishing catches 74w, 151–2w, 190w
Scotland 73–5w, 223–4w
Wales 190w

Salmond, Mr Alex
Debates etc.
Millennium compliance, Points of order (04.11.98) 872
Social security (28.10.98) 351
Questions
Civil servants, Opposition 474w
Council housing, Scotland 673
Government buildings, Foreign and Commonwealth Office 543–5w
Scottish Enterprise 480w

Salter, Mr Martin
Debates etc.
Electoral systems (05.11.98) 1071–3
Questions
Aerospace industry 283w
Health visitors 620w

Sanders, Mr Adrian
Debates etc.
Economic situation, Russia (27.10.98) 245
Housing (Home Repossessions) Bill, 1R (04.11.98) 874–6
Questions
Assisted areas 23w
Children, Migration 68w
Coastal areas, Environment protection 8w
Coastal protection 297–8w
Council housing, Property transfer 305–6w
Council tax, Second homes 9w
Criminal records, Disclosure of information 54w
Diabetes, Medical equipment 70–1w
Disability living allowance, Huntington's chorea 94w
Driving licences, Diabetes 9w
Driving tests, Fees and charges 17w
Economic situation, Coastal areas 24w
Flood control, South West region 298w
Health authorities, Finance 68–9w
Income support, Mortgages 28w
Local government finance, Tourists 8w
Piers 102w
Police, Finance 47w, 54w
Redundancy, Paignton 64w
Rent control 8w
Residential care, Capital rules 95w
Sales promotions, Consumer protection 373w

Sandline
82w, 84–5w

Sanitation
Dept of Social Security 606w

Sarwar, Mr Mohammad
Questions
Breast cancer, Radiotherapy 323w
Closed circuit television, Scotland 481–2w
Dental services, Scotland 323w
Genetically modified organisms, Food 170w
Kashmir, Human rights 270–1w
Kashmir, Overseas aid 202w
Police and ethnic minorities, Scotland 630–1w
School attendance, Scotland 322–3w

Savidge, Mr Malcolm
Debates etc.
Intelligence services (02.11.98) 588
Questions
Low incomes 1001–2
Nuclear disarmament 345–6w

Sawford, Mr Phil
Questions
Midland Main Line, Rolling stock 572w
Speed limits 572w

Sayeed, Mr Jonathan
Questions
Arms trade, Commonwealth of Independent States 414–5w
Nuclear weapons, Russia 865–6
Rover Group 289w

Schengen Agreement
501w

School admission
Essex 405w
Primary education 231w
Strangford 243–4w

School attendance
Scotland 322–3w

School population
(04.11.98) 830–6
Middle schools 233w
Primary education 232–3w

School Standards and Framework Act 1998
Questions
Green papers 518–20w

School transport
104w
Concessionary fares 231w
Hydrocarbon oil duties 37w

Schools
Further education colleges 525–6w
Hackney 101w
Welsh language 556–7w

Science and technology
283w

Science and technology policy
285–6w

Science budget
136–8w

Science education
592w

Scotland
A1 478w
Agricultural subsidies 593w
Agriculture 668–9
AIDS 594–5w
Air traffic control 862
Armed forces housing 221–3w
Autism 225w, 631–3w
Bankruptcy 477w
Beef 671–2
Best value 481w
Breast cancer 323w
Business 663
Cancer 96–7w, 483w
Closed circuit television 481–2w
Council house transfers 483w
Council housing 673
Defence industries 593–4w
Dental services 323w
EC grants and loans 96w
Economic growth 477w
Economic policy 665
Economic situation 663–4
Educational finance 479w
Educational standards 667
Electoral register 671
Employment opportunities 665, 668
Film industry 673–4
Fish farming 75–6w
Fisheries 480w
Further education 480w
Gaelic language 661–2
Genetically modified organisms 170w
Higher still development programme 666–7
HIV infection 595w
Hotel and catering industry 631w

***Scotland**—continued*
Housing benefits 75w
Housing standards 479w
Industrial diseases 509–10w
Intestacy 481–2w
Juries 324w
Languages education 662, 667–8
Local government finance 323–4w
Low incomes 477w
MMR vaccine 224–5w, 631w
NHS finance 633–4w
NHS trusts 482w
Nursing homes 478–9w
Police and ethnic minorities 630–1w
Polling stations 670
Prevention of Terrorism (Temporary Provisions) Act 1989 483w
Proscribed organisations 482–3w
Public expenditure 478w, 480w, 614–5w
Public sector pay 482w
Redundancy 483–4w
Regional selective assistance 324w, 664
Safeguards against Abuse of Children Living Away from Home Review 634–5w
Salmon 73–5w, 223–4w
School attendance 322–3w
Tamoxifen 97w
Teachers 667
Unemployment 665–6, 688w
Vocational education 593w
Water companies 224w
Water meters 95–6w

Scots Guards
354–5w

Scottish councils
Millennium compliance 484w

Scottish Enterprise
480w, 664–5

Scottish Environment Protection Agency
Annual reports 633w

Scottish Office
Cash limits 324–6w
Public appointments 323w

Scottish Parliament
478w
Absent voting 478w
Electoral systems 669–71

Scouts and guides
Chile 602w

Screening
Breast cancer 70w

Sea Fish Industry Authority
Fees and charges 660–1w

Seas and oceans
Environment protection 7–8w

Second homes
Council tax 9w

Secondary Care Agency
see Defence Secondary Care Agency

Secure accommodation
Young offenders 680w

Secure psychiatric units
Northern Ireland 322

Security
Developing countries 580w
Party conferences 177w

Security industry
Regulatory systems 53w

Security Service
see MI5

Security vetting
Ministers 402w

Sedgemore, Mr Brian
Debates etc.
Theatres, Hackney (05.11.98) 1115–8
Questions
Schools, Hackney 101w

Seeds
Genetically modified organisms 568–9w, 661w

Sellafield
Mixed oxide fuel 16–7w, 312w, 454–5w
Radioactive waste disposal 312w
Radioactive wastes 453–4w, 513–4w

Sentence Review Commission
488w

Serbia
Radio 270w

Serco-Denholm
Shipping 347–8w

Severe disablement allowance
552w

Sex eduation
Overseas aid 302w

Shaw, Mr Jonathan
Questions
Overseas trade, South Africa 138–9w

Sheep meat
Armed forces catering services 353w, 541–2

Sheep premiums
Administrative delays 77w

Sheerman, Mr Barry
Debates etc.
Personal pensions, Misrepresentation (03.11.98) 723
Questions
Armed forces recruitment, Criminal records 219w
Cabinet Office, Cash limits 404w
Companies, Fraud 194w
Legal profession, Recruitment 475w
Small businesses, Interest rates 456

Sheldon, Rt Hon Robert
Debates etc.
Intelligence services (02.11.98) 636–7
International economic policy (02.11.98) 564–5
Questions
Economic and monetary union 864
Taxation, NHS finance 994

Sheltered employment
Finance 589w

Shephard, Rt Hon Gillian
Questions
Meale, Alan, Planning permission 259w
Members' conduct, Codes of practice 243w

Shipbuilding
508–10w

Shipley, Ms Debra
Questions
Community policing 10
Domestic violence 330

Shipping
Corporation tax 42w
Serco-Denholm 347–8w

Shipping accidents
MV Arco Arun 249–50w, 640w

Ships Support Agency
Performance standards 204–5w

Shoeburyness
Firing ranges 550

Shopping
Excise duties 36–7w

Shops
Rural areas 166–7w

***Short, Rt Hon Clare**, Secretary of State for International Development*
Questions
Albania, Children 581w
Albania, Overseas aid 200–1w, 448–9w
Commonwealth Development Corporation, External financing limits 450w
Commonwealth Development Corporation, Privatisation 301w
Democratic Republic of the Congo, Human rights 580–1w
Dept for International Development, Cash limits 449–50w
Dept for International Development, Civil service manpower 5w
Developing countries, Arms trade 579–80w
Developing countries, Debts 582–3w
Developing countries, Economic situation 202w
Developing countries, Female circumcision 299–300w
Developing countries, HIV infection 583w
Developing countries, Microcredit programmes 581–2w
Developing countries, Multilateral Agreement on Investment 202–3w
Developing countries, Security 580w
Developing countries, World economy 583w
European Community Humanitarian Office, Finance 4w, 581w
International organisations, Environmental impact assessment 236–7w
Kashmir, Overseas aid 202w
Overseas aid 201w
Overseas aid, Alternative energy 450–2w
Overseas aid, Audit 202w
Overseas aid, Family planning 302w
Overseas aid, Joint funding scheme 3–4w
Overseas aid, Non-governmental organisations 5w, 301w
Overseas aid, Poverty 301–2w
Overseas aid, Sex eduation 302w
Parliamentary questions, Administrative delays 299w
Public appointments, Dept for International Development 203–4w
Russia, Know-how Fund 300w
Sudan, Health aid 582w
Sudan, Human rights 582w
Sudan, Non-governmental organisations 5–6w
Sudan, Overseas aid 300–1w, 630w
Uganda, Educational aid 203w
UK contributions to EC budget 5w
World Trade Organisation, Developing countries 4w

Shrewsbury-Aberystwyth railway line
Railway freight transport 248–9w

Siemens
Regional selective assistance 626w

Sierra Leone
Arms trade 82–5w
Capital punishment 82–5w
International conferences 145w
Peace negotiations 637w

Silver
Hallmarking 370w

Simpson, Mr Alan
Debates etc.
World Trade Organisation, Environment protection (28.10.98) 287–8
Questions
Advisory Committee on Releases to the Environment 638w
Aircraft carriers 351w
Ballistic missile defence 112w
Building industry, Trade promotion 250–3w
Dept of the Environment Transport and the Regions, Business interests 250w
EC enlargement 146–7
Financial institutions 684w
Genetically modified organisms, Crops 570w
Genetically modified organisms, Licensing 570w
Genetically modified organisms, Oilseed rape 568–9w
Genetically modified organisms, Seeds 568–9w
Government contracts 367–8w
Local government, Private finance initiative 452w
Russia, Know-how Fund 300w
Trade promotion, Burma 289w
Trident missiles 20w

Simpson, Mr Keith
Debates etc.
Agriculture (04.11.98) 938–9
Army (28.10.98) 427–30

Singh, Mr Marsha
Questions
Community development 167–9w

Sixth form education
526w

Skills Development Fund
236w

Skinner, Mr Dennis
Debates etc.
Economic policy (26.10.98) 24–5
Electoral systems (05.11.98) 1035
International economic policy (02.11.98) 569–70
Oral question time intervention (27.10.98) 143
Social security (28.10.98) 348–9
Questions
Business questions 466
Cancer, Medical treatments 682–3w
Economic situation 996
Minimum wage 284w

Slaughterhouses
Inspections 663–4w

Slovakia
Political refugees 51w

Slovenia
Government buildings 81w

Small businesses
289w
Debts 371–2w
Employment opportunities 455–6
High technology 448w, 449–51
Interest rates 453–4, 456
Investment 1010
VAT registration 41w
Wales 855–6

Smaller Quoted Companies Working Group
448w

Smith, Rt Hon Andrew, Minister for Employment and Disability Rights, Dept for Education and Employment
Questions
Access to work programme 63w
Access to work programme, Councillors 404w
EC Labour and Social Affairs Council 527–8w
European Communities, Publications 171w
European Social Fund 99–100w
Incapacity benefit, Take-up of employment 99w
New deal for young people 230w, 587–8w
New deal for young people, Concessionary fares 229–30w
New deal for young people, Expenditure 531w
Redundancy, Paignton 64w
Unemployment 230–1w
Unemployment, Lowestoft 230w
Vacancies, Chelmsford 170w

Smith, Angela
Debates etc.
Business questions (05.11.98) 1029
Questions
Boundary Commission for England 578w
Families 494w
Police, Cost effectiveness 15
Prevention of Terrorism (Temporary Provisions) Act 1989 578w
Youth Justice Board 577w

Smith, Rt Hon Chris, Secretary of State for Culture Media and Sport
Questions
British Sky Broadcasting, Manchester United Football Club 317w
Dept for Culture Media and Sport, Cash limits 321w
Dept for Culture Media and Sport, Ministerial duties 320w
Dept for Culture Media and Sport, Public expenditure 466w
Dept for Culture Media and Sport, Reviews 316w
Digital television 318–9w
Millennium Commission, Annual reports 267–8w
Millennium Exhibition 316w
Museums and galleries, Admission charges 197w
Music education 317w
New Opportunities Fund 318w
News at Ten 318w, 465w
Parliamentary questions, Administrative delays 322w
Public appointments, Dept for Culture Media and Sport 320–2w, 467–72w, 627w

Smith, Jacqui
Debates etc.
Economic policy (26.10.98) 54–7, 64
Questions
Lord Chancellor's Dept, Cash limits 333w
Middle schools, School population 233w
Primary education, School population 232–3w

Smith, Mr John
Debates etc.
Army (28.10.98) 400, 412–6
Working Time Regulations (27.10.98) 229
Questions
Brewing industry 458–9
Business questions 470
Cabinet Office, Cash limits 400–1w
Council of Ministers 276–82w
Environmental health, Wales 609w

Smith, Mr John—continued
Mines, Bomb disposal 546–7
Northern Ireland government 320

Smith, Mr Llew
Debates etc.
European Parliamentary Elections Bill, Lords amendts (27.10.98) 168–9
Questions
Agricultural land, Waste disposal 431–2w
Chemical weapons, Sudan 19w
Gulf War syndrome, Medical research 440w
Health hazards, Chemical weapons 617w
Nuclear fuel reprocessing, Germany 513w
Public records, Nuclear accidents 62–3w
Radioactive Waste Management Advisory Committee 306w
Radioactive wastes 453–4w, 564w
Radioactive wastes, EC action 564–5w
Seas and oceans, Environment protection 7–8w
Sellafield, Radioactive wastes 453–4w, 513–4w
Trident submarines 18–9w
WE 177 nuclear bomb, Decommissioning 18w

Smith, Sir Robert
Debates etc.
Agriculture (26.10.98) 88, 91, 101, (04.11.98) 943

Smoking
EC action 617w
Health education 98w

Smuggling
Excise duties 36–7w

Smyth, Rev Martin
Debates etc.
Business questions (05.11.98) 1030
Economic policy (03.11.98) 702
Safeguards against Abuse of Children Living Away from Home Review (05.11.98) 1020–1
Social security (28.10.98) 352
Questions
Civil service agencies, Fraud 212–4w
Crimes of violence, Drumcree 243w
Secure psychiatric units, Northern Ireland 322
Sudan, Armed conflict 136

Soames, Mr Nicholas
Debates etc.
Business questions (05.11.98) 1031
Intervention during business questions (05.11.98) 1026
Iraq (03.11.98) 708–9
Questions
Political refugees, Immigration appeals 677

Soap and Detergent Industry Association
15w

Social conditions
Dept of Health 423w
Dept of Social Security 394w
Dept of the Environment Transport and the Regions 312w
Dept of Trade and Industry 585w
Ministry of Agriculture Fisheries and Food 560w

Social rented housing
104–5w

Social security abuse
264w
Housing benefits 31w
Incapacity benefit 390–1w
Prison sentences 6
Prosecutions 263–4w

Social security appeal tribunals
266w

Social security appeals
Handicap benefits 394–6w

Social security benefits
93–5w
Expenditure 30w
Pensioners 647–8w
Political refugees 392–4w
Public petitions (04.11.98) 984
Widowers 176w, 264–5w

Social Security Benefits Agency
Members' correspondence 32w

Social security benefits rates
28–9w

Social security benefits rules
554w, 648–9w

Social security benefits uprating
Retirement pensions 27w
Widows' benefits 29w

Social Security Contributions Agency
Computers 603–6w, 647–8w

Social security payments
Administrative delays 647–8w
Post offices 21w
Retirement pensions 31w, 95w

Social security recipients
Derbyshire 396–8w
Means tested benefits 551w

Social security reform
172–3w, 552–3w
Ministerial statements (28.10.98) 339–55

Social services
536w
Information technology 416–7w
Performance standards 538–9w
Public petitions (28.10.98) 435
Young people 293w

Soley, Mr Clive
Debates etc.
Intelligence services (02.11.98) 632–6
Questions
Domestic violence 375w
Personal savings 91w

Solicitors
Rights of audience 475–6w

Solihull
Territorial Army 344w

Somalia
Government buildings 543–5w

South Africa
Overseas trade 138–9w

South Down
Foreign investment in UK 596w

South East region
Customs and Excise 689–90w

South West region
Flood control 298w
Housing construction 103w

South Yorkshire
Agenda 2000 143–4

Southworth, Ms Helen
Questions
Belfast Agreement 208w
Sea Fish Industry Authority, Fees and charges 660–1w

Sovereignty
Falkland Islands 275w, 628w

Space technology
23w, 288w

Spain
Extradition 117w

Spare parts
Military aircraft 351w

Speaker and deputies, For rulings and statements see separate heading Speaker's rulings and statements
Debates etc.
Amendments and new clauses (26.10.98) 22, 81, (27.10.98) 163, (04.11.98) 877, 934
Business motions (05.11.98) 1113
Conduct of proceedings (26.10.98) 14, 71, 75, 124, (27.10.98) 151, 171, 181, 183, 185–7, 192–3, 198, 200, 207, 223–4, 234, 236–8, (28.10.98) 252, 257–8, 261, 305, 325, 329, 355, 384, 420, (29.10.98) 484, (02.11.98) 578, 626, 631, (03.11.98) 693, 696, 700, 732, (04.11.98) 839, 845, 853, 855, 864, 869, 894, 903, 917, 926, 943, 956, 963, (05.11.98) 1023, 1046, 1055, 1068, 1072, 1077, 1085, 1089, 1092
Disallowed questions (28.10.98) 323
Points of order (26.10.98) 21, (27.10.98) 155–7, 213, 223, 237–8, (02.11.98) 577, 588, (03.11.98) 720, 753, (04.11.98) 872–3, 925, 929, 946
Select Committee motions (05.11.98) 1114

Speaker's rulings and statements
Eight minutes rule (05.11.98) 1032
Festivals and special occasions (04.11.98) 871
Members' speeches (05.11.98) 1050
Sub judice (27.10.98) 156–7, (28.10.98) 356–7

Special branch
Personal records 578w

Special category prisoners
500w

Special education
233–4w, 530–1w
Autism 228–9w, 531w, 631–3w, 674–5w
Hyperactivity 530w

Speed governors
Lorries 572w

Speed limits
572w

Spellar, Mr John, Parliamentary Under-Secretary of State, Ministry of Defence
Debates etc.
Army (28.10.98) 387, 430–4
Information warfare (04.11.98) 987–92
Territorial Army, Black Watch (28.10.98) 298–302
Questions
Aerospace industry, Offset arrangements 586w
Antitank missiles, Defence procurement 354w
Armed forces catering services, Beef 353w
Armed forces housing, Empty property 223w
Armed forces housing, Property transfer 222w
Armed forces housing, Rents 222w
Armed forces housing, Scotland 221–3w
Armed forces housing, Tenant eviction 222w
Arms surplus sales, Museums and galleries 205w
Arms trade, Turkey 17w, 221w
BOWMAN combat radio system, Defence procurement 348w, 552–3
Concorde, Air force bases 111w

Spellar, Mr John—continued
Defence Estate Organisation, Performance standards 439–40w
Defence Export Services Organisation, Operating costs 205w
Defence industries, Diversification 348w
Defence land 221w
Defence land, Land reclamation 18w
Defence land, Portsmouth 357–8w
Exservicemen, Asbestosis 545
Falkland Islands, Armed forces catering services 356w
Firing ranges, Shoeburyness 550
Helicopters, Low flying 441–2w
Naval Aircraft Repair Organisation 345w
Nuclear submarines, Health physics 19–20w, 221w, 353–4w
Parliamentary questions, Administrative delays 356w
Pay and Personnel Agency, Relocation of employees 206w
Public appointments, Ministry of Defence 205–6w
RNAD Trecwn, Radioactive waste disposal 540
RNAS Portland 539–40
Ships Support Agency, Performance standards 204–5w
VC 10 aircraft, Members' correspondence 223w

Spelman, Mrs Caroline
Questions
Agriculture, Scotland 668–9

Spicer, Sir Michael
Debates etc.
Economic policy (26.10.98) 62, (03.11.98) 700
Economic situation (04.11.98) 889–90, 899, 905–9, 928

Spitting
Health hazards 678w

Sponsorship
Millennium Exhibition 129–31w, 623w

Sports
Pay television (28.10.98) 303–9

Sports facilities
VAT 41–2w

Sports sponsorship
Tobacco advertising 317–8w

Sportsgrounds
Northern Ireland 212w
Safety standards 212w, 315w

Spring, Mr Richard
Questions
A11 306w
Farm incomes, Wales 611w
Millennium Exhibition, Public transport 641w

Squire, Ms Rachel
Questions
Defence industries, Diversification 628w
Defence industries, Scotland 593–4w
Employment opportunities, Scotland 665

Stafford
Driving tests 638w

Staffordshire
EC grants and loans 585w

Standard spending assessments
Fire services 383–4w
Hertfordshire 303w
Local education authorities 521–5w

Standards and Effectiveness Unit
100–1w

Standards enforcement
Meat 431w

Standards of Conduct in Public Office Standing Committee
see Committee on Standards in Public Life

Standing Committee on Regional Affairs 556

Stanley, Rt Hon Sir John
Questions
Convention on the Civil Aspects of International Child Abduction 159w
Railway freight transport 167w
Taxation, Charities 40w

Starkey, Dr Phyllis
Questions
"Fair Funding Improving Delegation to Schools Consultation Paper" 515w
Israel, EC external trade 541w
Science and technology 283w
Unemployment 338w

State earnings related pension scheme
Administrative delays 32w
Tax allowances 42–3w
Widows 553–4w

State visits
Northern Ireland 245w, 367w

Statistics
684w
Average earnings 36w
Political refugees 651w

Steen, Mr Anthony
Debates etc.
Agriculture (04.11.98) 936, 947
Questions
Bovine spongiform encephalopathy, Compensation 426w
Bovine spongiform encephalopathy, Disease control 425w
Genetically modified organisms, Crops 661w
Genetically modified organisms, Seeds 661w
Green pound, Compensation 424–5w
Income support, Mortgages 548w
Members' correspondence, Administrative delays 395w
North Middlesex Hospital, Departmental correspondence 423w
River Dart, Departmental correspondence 575w
Social security benefits, Political refugees 392–4w

Steinberg, Mr Gerry
Questions
Clinical psychologists 292–3w
Educational psychology, Pay 232w
Probation and aftercare 505w

Stewart, Mr David
Questions
Beef, Scotland 672
Cancer, Prescription charges exemptions 96–7w
Further education, Scotland 480w

Stewart, Mr Ian
Debates etc.
Economic situation (04.11.98) 880
Industrial health and safety (04.11.98) 799–801
Questions
National Lottery, Hospices 198w

Stoate, Dr Howard
Debates etc.
World Trade Organisation, Environment protection (28.10.98) 272–7

Strang, Rt Hon Dr Gavin,
Debates etc.
Intelligence services (02.11.98) 637–9
Questions
AIDS, Scotland 594–5w
Cancer, Death 483w
HIV infection, Scotland 595w

Strangford
School admission 243–4w

Strategic Rail Authority 13–4w

Straw, Rt Hon Jack, Secretary of State for the Home Dept
Debates etc.
Electoral systems (05.11.98) 1032–9, 1105
European Parliamentary Elections Bill, Lords amendts (27.10.98) 163–74, 177–9
Intelligence services (02.11.98) 634, 642, 645–50
Questions
Boundary Commission for England 578w
Census of population, Disclosure of information 54–6w
Channel Islands and Isle of Man Financial Regulation Review 4–5
Community policing 9–10
Computer privacy 495w
Crime prevention, Pilot schemes 8–9
Curfews, Children 9–10
Extradition, Spain 117w
Families 494w
Fletcher, Yvonne, Police deaths on duty 47w
Hillsborough Stadium Evidence Inquiry 1–2
Hillsborough Stadium Inquiry 2–3
Home Office, Cash limits 388–9w
Intelligence and Security Committee 497w
Intelligence services, Complaints 506–7w
Legislature, Channel Islands 5
Mentally disturbed offenders 9
MI5, Disclosure of information 495–6w
Official engagements 122–3w
Official visits 126–8w
Open government 57–8w
Parliamentary questions, Administrative delays 390w
Party conferences, Security 177w
Pinochet, Augusto 56–7w, 123–6w, 184w, 505–6w, 579w
Police, Performance standards 651w
Police, Public expenditure 44w
Political refugees, Immigration applications 52w
Political refugees, Immigration controls 51w
Political refugees, Statistics 651w
Prevention of Terrorism (Temporary Provisions) Act 1989 578w
Proscribed organisations, Arrests 499–500w
Public appointments, Home Office 184w
Referendums, EC internal trade 59w
Special branch, Personal records 578w
Telephone tapping 494w
Terrorism, Chemical weapons 494–5w
Terrorism, Police interrogation 114–5w
Urban areas 122w
Voting System Independent Commission 177w
Youth Justice Board 577w

Streeter, Mr Gary
Questions
Commonwealth Development Corporation, Privatisation 301w
Dept for International Development, Civil service manpower 5w

Streeter, Mr Gary—continued
Developing countries, Economic situation 202w
Developing countries, Multilateral Agreement on Investment 202–3w
European Community Humanitarian Office, Finance 4w
Multilateral Agreement on Investment 132w
Overseas aid 201w
Overseas aid, Audit 202w
Overseas aid, Joint funding scheme 3–4w
Overseas aid, Non-governmental organisations 5w, 301w
Overseas aid, Poverty 301–2w
Sudan, Non-governmental organisations 5–6w
Uganda, Educational aid 203w
UK contributions to EC budget 5w
World Trade Organisation, Developing countries 4w

Stress related illnesses
Health service staff 682w

Stringer, Mr Graham
Questions
Dept of Social Security, Computers 646–7w
Regional airports, Air routes 313–4w

Stuart, Ms Gisela
Debates etc.
Economic situation (04.11.98) 882–3
Electoral systems (05.11.98) 1040
Personal pensions, Misrepresentation (03.11.98) 735, 740–4, 751, 754–6
School population (04.11.98) 830–2, 834–5
Social security (28.10.98) 347

Stuart-Smith Inquiry
see Hillsborough Stadium Evidence Inquiry

Student Loans Company
Performance standards 589–90w

Student numbers
Northern Ireland 211–2w

Student wastage 235w

Students
Rural areas 234w

Stunell, Mr Andrew
Debates etc.
Business questions (05.11.98) 1027
Electoral systems (05.11.98) 1078, 1085–6
Press conferences, Points of order (26.10.98) 21
Questions
Business questions 472
Digital television, Air pollution 24w
Energy conservation, Finance 458w
Lighting, Energy conservation 161w

Sub judice
Speaker's rulings and statements (27.10.98) 156–7, (28.10.98) 356–7

Sub post offices
Closures 190–1w

Sudan
Armed conflict 136–7
Bombings 140–1w
British embassies 79w
Chemical weapons 19w
Health aid 403w, 582w
Human rights 582w
Non-governmental organisations 5–6w
Overseas aid 300–1w, 630w

Suffolk
Road accidents 258w

Suicide
Farmers 341–2w

Sun Newspaper
Menem, Carlos 403w

Sunderland
Tyne and Wear Metro 248w

Supermarkets
307–8w
Cumbria 15w
Fires 505w
Meat 858–9
Monopolies 137w
Planning permission 15w
Wastes 298w

"Support for Disabled People Consultation Paper"
(28.10.98) 339–55, 551–2w

Sure start programme
100w

Surveillance
Northern Ireland 443–4w

Sustainable development
Biodiversity 262w
Performance standards 109–10w

Sutcliffe, Mr Gerry
Questions
School transport, Concessionary fares 231w

Swansea
Redundancy 611w

Swayne, Mr Desmond
Debates etc.
Army (28.10.98) 371, 382, 391, 406
Economic situation (04.11.98) 910
Electoral systems (05.11.98) 1060, 1069, 1077–9
European Parliamentary Elections Bill, Lords amendts (27.10.98) 166, 168, 171, 178, 196, 198–9
Iraq (03.11.98) 711
Questions
Atkinson, George 88w, 147, 239w
Business questions 469–70
Community policing 46w
Community service orders 239–40w
Economic situation 1002–3
Furs, Farms 427w
Multilateral Agreement on Investment 132w
New Forest, Tree felling 166w, 562w
New Forest, World heritage sites 267w
Scottish Parliament, Absent voting 478w

Swinney, Mr John
Debates etc.
Agriculture (26.10.98) 84
Economic policy (26.10.98) 49, 66–9
Territorial Army, Black Watch (28.10.98) 297–8
Questions
Government buildings, Foreign and Commonwealth Office 414w, 544–5w
"Government Expenditure and Revenue in Scotland 1997–98" 633w
Highlands and Islands Enterprise 664–5
Housing benefits, Scotland 75w
Incapacity benefit 174–5w
Public expenditure, Scotland 614–5w
Social security benefits 95w
Social security benefits rules 648–9w
Widows' benefits 176w

Syms, Mr Robert
Debates etc.
Electoral systems (05.11.98) 1069–71

Syms, Mr Robert—continued
European Parliamentary Elections Bill, Lords amendts (27.10.98) 191–2
Questions
Economic forecasting 1006
Young offenders, Administration of justice 389–90w

Syrian Arab Republic
Government buildings 81w

Taiwan
Temporary immigrants 271w

Take-up of employment
Incapacity benefit 99w

Tamoxifen
Scotland 97w

Tapsell, Sir Peter
Debates etc.
Economic policy (03.11.98) 690–1
Economic situation (04.11.98) 889
Prime Minister's questions, Points of order (04.11.98) 873
Questions
Economic and monetary union 1003–4

Task forces
Internet 474w

Tax allowances
State earnings related pension scheme 42–3w

Tax avoidance
693w

Tax evasion
38w

Tax harmonisation
Corporation tax 448w, 1000
Direct taxation 242w
Income tax 226w, 242w

Tax yields
Tobacco duties 447w

Taxation
993–4
Aviation fuels 163–4w
Charities 40w, 691w
Child benefit 41w
Football 1000–1
Investment income 37w, 227w, 341w, 686w
Law reform 227w
NHS finance 994
Personal savings 999–1000
Tourism 185w

Taxis
Licensing 12w, 570–1w

Taylor, Ms Dari
Questions
Military education 347w

Taylor, Mr Ian
Debates etc.
Economic policy (03.11.98) 697
Questions
Motor industry, Manpower 136w

Taylor, Rt Hon John D
Debates etc.
European Parliamentary Elections Bill, Lords amendts (27.10.98) 183
Questions
Castle Gardens School Newtownards 215w
Commemorative coins, Act of Union 1800 695w
Cyprus 542w
Cyprus, Military aircraft 541–2w
EC enlargement 143

Taylor, Rt Hon John D—continued
European Charter for Regional or Minority Languages 602–3w
Gaelic language, Northern Ireland 319
Housing construction, Northern Ireland 595–6w
Irish Guards 355w
Royal Irish Regiment 355–6w, 440–1w
School admission, Strangford 243–4w
Scots Guards 354–5w
Taiwan, Temporary immigrants 271w
Victoria School Newtownards 215w
Welsh Guards 355w

Taylor, Mr John M
Debates etc.
European Parliamentary Elections Bill, Lords amendts (27.10.98) 164–5
Questions
British dependent territories 78w
Census of population, Disclosure of information 54–6w
Church of England, Personnel 1w
Council housing, Scotland 673
Members' correspondence, Administrative delays 78w
Post Office 22w
Territorial Army, Solihull 344w

Taylor, Mr Matthew
Questions
EC environmental policy 9–10w

Taylor, Sir Teddy
Debates etc.
International economic policy (02.11.98) 568–9
Questions
Business questions 465
Channel Islands and Isle of Man Financial Regulation Review 507w
EC law, Channel Islands 654w
Firing ranges, Shoeburyness 550
Lockerbie, Bombings 142w, 152–4
Police pensions, Widows 240w

Taylor Inquiry
see Hillsborough Stadium Inquiry

Teacher training
528–9w
Gaelic language 661–2

Teachers
Primary education 527w
Scotland 667
Working hours 405–6w

Teesside Development Corporation
455w, 641–2w

Telecommunications industry
Manpower 136w

Telephone tapping
494w

Television
Football 315w, 369w
Prisoners 10–1

Teleworking
Transport policy 163w

Telford
County courts 337–8w

Temporary employment
133w

Temporary immigrants
Taiwan 271w

Tenant eviction
Armed forces housing 222w

Termination of employment
Civil servants 400w

Terminology
Legislation 241w

Territorial Army
219w, 343–4w, 544–5, 548
Aldershot 543–4
Armed forces cadets 543
Armed forces medical services 344w, 551
Black Watch (28.10.98) 295–302
Ethnic minorities 546
Finance 587w
Hertfordshire 548
Liverpool 219w
Peace keeping operations 552
Reigate 628w
Solihull 344w
Wales 853–4
Winchester 18w

Territorial Auxiliary and Volunteer Reserves Association
220w

Territorial waters
Gibraltar 86–8w, 413w

Terrorism
Chemical weapons 494–5w
Northern Ireland 207w, 210–2w, 365–6w
Police interrogation 114–5w

Textile industry
286w

Thames flood barrier
Repairs and maintenance 249w

Theatres
Hackney (05.11.98) 1115–22

Theft
Church buildings 439w
Explosives 356w
Official cars 673w

Thomas, Mr Gareth
Debates etc.
Pay television, Sports (28.10.98) 303
Questions
Alternative energy 446
Environment Transport and Regional Affairs Select Committee, London Underground 259w
International organisations, Environmental impact assessment 236–7w
National Assembly of Wales 860–1
Overseas aid, Alternative energy 450–2w
Ozone layer, EC action 573w
Parkinson's disease 68w
Physical education 528w
Rural Partnership for Wales 610–1w

Thompson, Mr William
Debates etc.
Agriculture (04.11.98) 972–3
Questions
Demonstrations, Drumcree 327–8

Tibet
199w
Environment protection 14w
Human rights 172w, 545w

Timburg Review Group
see Food Related Scientific Services in Scotland Review Group

Timms, Mr Stephen, Parliamentary Under-Secretary of State, Dept of Social Security
Questions
Air travel, Dept of Social Security 547w
Dept of Social Security, Computers 646–7w
Disability living allowance 32w, 395–7w
Disability living allowance, Benefit integrity project 549–50w

Timms, Mr Stephen—continued
Disability living allowance, Huntington's chorea 94w
Disability working allowance 551w
Handicap benefits 551–2w
Handicap benefits, Availability for work 550–1w
Incapacity benefit 94w, 173–5w, 553w
National Insurance Fund 31w
New deal for disabled people 399–400w
Parliamentary questions, Administrative delays 399w
Severe disablement allowance 552w
Social security benefits 95w
Social security benefits rules 554w
Social Security Contributions Agency, Computers 647–8w
Social security recipients, Derbyshire 396–8w
State earnings related pension scheme, Administrative delays 32w

Tipping, Mr Paddy
Debates etc.
Agriculture (26.10.98) 96

Tobacco
Agricultural subsidies 637–8w

Tobacco advertising
Sports sponsorship 317–8w

Tobacco duties
Tax yields 447w

Todd, Mr Mark
Debates etc.
Agriculture (04.11.98) 937, 970–2
Questions
Fishing catches 660w
Mentally disadvantaged 678–9w

Togo
Government buildings 80w

Tonge, Dr Jenny
Debates etc.
Animal quarantine, Pets (29.10.98) 492–3, 497–8
Army (28.10.98) 402
Questions
British Petroleum, Arms exports 132w, 409w
Debts, Developing countries 582–3w, 630w
Democratic Republic of the Congo, Human rights 580–1w
Developing countries, Arms trade 579–80w
Developing countries, HIV infection 583w
Developing countries, Microcredit programmes 581–2w
Developing countries, Security 580w
Developing countries, World economy 583w
Education, Travelling people 233w
Foreign and Commonwealth Office, Access to buildings 78w
Foreign and Commonwealth Office, Disabled workers 270w
Sudan, Human rights 582w
Taxis, Licensing 12w

Touhig, Mr Don
Questions
Caerphilly Borough Council 610w

Tourism
Inland waterways 304–5w
Taxation 185w
VAT 185w

Tourists
Local government finance 8w

Tower Hamlets
Council housing 305–6w

Town and country planning
Environmental impact assessment 169w

Townend, Mr John
Debates etc.
Economic situation (04.11.98) 902–3, 911–5
International economic policy (02.11.98) 567
Questions
Personal injury compensation, Treasury 341w

Trade competitiveness
194w, 625w
EC Social Charter 451–3
Manufacturing industries 289w
Wales 557w

Trade fairs
Defence industries 129w

Trade promotion
Building industry 250–3w
Burma 289w

Trade union recognition
452

Traffic noise
311w, 461w

Train operating units
Performance standards 307w, 571w

Training
Health service staff 293–4w
Judiciary 659w
Magistrates 332w

Training and enterprise councils
Expenditure 12w, 234–5w

Tranquillisers
Meat 430w
Prisoners 59–60w
Residential care 417w

Trans-European networks
465–6w

Transport costs
Employment opportunities 668

Transport infrastructure
Investment 105–6w

Transport of radioactive materials
161–2w
MV Pacific Crane 644w

Transport policy
Public opinion 310w
Teleworking 163w

Transsexuals
184w

Travelling people
Caravan sites 169w
Education 233w

Treasury
Employment protection 341w
Ministers' visits abroad 342w
Personal injury compensation 341w
Public appointments 694–5w

Treasury Solicitor's Dept
Davies, Ron 541w

Treaties
Chemical and biological warfare 110–1w, 147–8

Tree felling
New Forest 166w, 562w

Trend, Mr Michael
Debates etc.
Cyprus (28.10.98) 267–9
Questions
British citizenship, St Helena 655w
EC enlargement 599w
Kosovo 139–40
Western European Union 473w

Trickett, Mr Jon
Debates etc.
Personal pensions, Misrepresentation (03.11.98) 729–33

Trident
349–50w

Trident missiles
20w, 221w, 350w

Trident submarines
18–9w, 350–1w

Trimble, Rt Hon David
Questions
Loyalist Volunteer Force 320

Tuition fees
526w

Turkey
Arms trade 17w, 221w
Human rights 199w, 541w

Turner, Mr Dennis
Questions
Highways Agency 109w

Turner, Dr Desmond
Debates etc.
Ports, Newhaven (04.11.98) 839
Questions
Interest rates 997

Turner, Dr George
Questions
Crime prevention, Pilot schemes 8–9
Interest rates 1003
Small businesses 289w

Turner Review group
see Public Analyst Services Review Group

Twigg, Mr Derek
Debates etc.
Economic situation (04.11.98) 878–9
Questions
Occupational pensions 649–50w
People's Panel 245–6w
Working families tax credit 91–2w

Twigg, Mr Stephen
Debates etc.
Electoral systems (05.11.98) 1045
Questions
"Excellence for All Children Consultation Paper" 591–2w

Tyler, Mr Paul
Debates etc.
Agriculture (26.10.98) 92, 103–4, 109, 121–4, (04.11.98) 938, 945–6, 951
Questions
Business questions 463–4

Tyne and Wear Metro
Sunderland 248w

Tyres
Military aircraft 112–3w

Tyrie, Mr Andrew
Debates etc.
Economic policy (26.10.98) 30, 33, 41, 50–5, 75
International economic policy (02.11.98) 572

Tyrie, Mr Andrew—continued
Questions
Betting and gaming duties 185w
Public expenditure 340–1w

Uganda
Educational aid 203w
Homicide 545–6w

UK contributions to EC budget
5w, 340w

UK delegations
Climate Change Convention 643w

UK membership of EC
Cabinet committees 140w

UK Panel on Sustainable Development
see British Government Panel on Sustainable Development

UK repayments from EC budget
340w

UN resolutions
Cyprus 147–50w

Unemployment
230–1w, 336, 338w, 687w
Lowestoft 230w
Scotland 665–6, 688w

Unemployment benefits
99w

Unimerco
287w

United Nations
Human rights 384w
Peace keeping operations 551–2

Universal Declaration of Human Rights
137–8

Universities
Business 450

Urban areas
122w

Urban Task Force
Public appointments 309–10w

USA
Aerospace industry 509w
Chemical and biological warfare 147–8
Diplomatic service 275–6w
Foreign relations 143w
Procurement 129w

Utting Review
see Safeguards against Abuse of Children Living Away from Home Review

Vacancies
Chelmsford 170w
Nurses 421–2w

Vaccination
Influenza 677w

VAT
Golf 692w
Home care services 43w, 226w, 448w, 614w, 691w
Sports facilities 41–2w
Tourism 185w

VAT registration
41w, 90w
Small businesses 41w

VAT (Sport Sports Competitions and Physical Education) Order 1998
Questions
42w, 693–4w

Vaz, Mr Keith
Questions
Civil servants, Ethnic minorities 671w
Closed circuit television 13

Vaz, Mr Keith—continued
Ethnic minorities, Cabinet Office 666–70w
Ethnic minorities, Lord Chancellor's Dept 659–60w
Fernandes, Edgar 271w, 273w
Foreign and Commonwealth Office, Missing persons 273w
India, Visas 135
Political refugees, Immigration appeals 677
Public appointments, Cabinet Office 671–3w
Public appointments, Dept for Culture Media and Sport 467–72w
Public appointments, Dept for Education and Employment 515–8w
Public appointments, Dept for International Development 203–4w
Public appointments, Dept of the Environment Transport and the Regions 253–4w
Public appointments, Dept of Trade and Industry 194w
Public appointments, Foreign and Commonwealth Office 271–3w
Public appointments, Home Office 184w
Public appointments, Lord Chancellor's Dept 333–7w
Public appointments, Ministry of Agriculture Fisheries and Food 429w
Public appointments, Ministry of Defence 205–6w
Public appointments, President of the Council 358–62w
Public appointments, Scottish Office 323w
Public appointments, Treasury 694–5w

VC 10 aircraft
Members' correspondence 223w

Venereal diseases
Kent 419–20w
Political refugees 419–20w

Veterinary drugs
Horses 153–4w, 427–8w

Veterinary medicine
Meat Hygiene Service 600w, 663w

Viagra
Animal experiments 576w

Victoria School Newtownards
215w

Viggers, Mr Peter
Debates etc.
Intelligence services (02.11.98) 643
International economic policy (02.11.98) 568
Millennium, Portsmouth (02.11.98) 657–8
Questions
Midwives 416w
Midwives, Safety 676w
Police equipment, Radio 12
Royal Naval Hospital Haslar 550–1
Social security benefits rules 554w
Welsh Office, Committee on Standards in Public Life 611w

Virgin Rail
Prime Minister 3w

Vis, Dr Rudi
Questions
Abortion, Barnet 186–7w, 293w
Childbirth, Barnet 293w
Crown Prosecution Service, Cash limits 299w
Middle East, Peace negotiations 141w

Visas
636–7w
India 135–6

Vocational education
Hotel and catering industry 593w
Nurses 292w
Scotland 593w

Vocational guidance
520–1w
Contracts for services 657w

Vocational training
Conditions of employment 519–20w
Handicapped 170w

Voting System Independent Commission
177w, 329, 335–6

Wales
Aerospace industry 556w
Agriculture 609–10w, 858–9
Assisted areas 89w, 557w
Beef 857–8
Bovine spongiform encephalopathy 858
Cancer 331w
Cervical cancer 329w
Chemists' shops 556w
Coal mining 613w
Community councils 6–7w
Council house sales 555w
Cricket 627w
EC grants and loans 609w
Environmental health 609w
Exchange rates 856–7
Eye disorders 557w
Farm incomes 611w
Farmers 610w, 857
Floods 269w, 629w, 859–60
Health services 612w
Hill farming 629–30w
Hospital waiting lists 613w, 861
Iron and steel industry 555–6w
Local government finance 327–9w
Manufacturing industries 188w, 269w, 855
Medical profession 611w
Mental health services 555–6w
MIND 329–30w
National income 613w
National tree week 609w
New deal schemes 608w
New Millennium Experience 612w
NHS trusts 612w
Optoelectronics 268w
Play groups 628–9w
Primary education 613w
Regional selective assistance 329w
Royal Welch Fusiliers 854–5
Salmon 190w
Small businesses 855–6
Territorial Army 853–4
Trade competitiveness 557w

Wallace, Mr James
Questions
Economic situation, Scotland 663–4

Walley, Ms Joan
Questions
Child Support Agency, West Midlands 607–8w
Health hazards, Electromagnetic interference 586w
Incapacity benefit, West Midlands 391w

Walter, Mr Robert
Debates etc.
Army (28.10.98) 416–8
Questions
Countryside stewardship scheme 296–7w
Countryside stewardship scheme, Dorset 297w

Wanstead
Land acquisition 386w

War crimes
Kosovo 79w

Ward, Ms Claire
Debates etc.
Electoral systems (05.11.98) 1087–9

Warehouse parties
Death 176–7w

Wareing, Mr Robert N
Debates etc.
Electoral systems (05.11.98) 1083–5
European Parliamentary Elections Bill, Lords amendts (27.10.98) 181
Questions
Inflammatory bowel disease 620–1w
Inflammatory bowel disease, Milk 620w

Warren, Gordon
14–5

Waste disposal
Agricultural land 431–2w

Waste management
Genetically modified organisms 451w

Wastes
Supermarkets 298w

Water charges
135w

Water companies
External financing limits 224w
Scotland 224w

Water meters
453w
Scotland 95–6w

Waterson, Mr Nigel
Debates etc.
Social security benefits, Public petitions (04.11.98) 984
Questions
Agenda 21 573w
Agricultural products, Prices 665w
Alcoholic drinks, Young people 655w
Alcoholic drinks duties 696w
Armed forces cadets 542–3
Criminal injuries compensation 655w
Heart diseases, Young people 68w
Polegate bypass 573w
Polegate bypass, Compensation 10w
Political refugees 507–8w
Taxation, Charities 691w

Watts, Mr Dave
Debates etc.
Electoral systems (05.11.98) 1098–9

WE 177 nuclear bomb
Decommissioning 18w

Weapons
Northern Ireland 210w, 321, 327, 868–9

Webb, Mr Steve
Debates etc.
Personal pensions, Misrepresentation (03.11.98) 721
Social security (28.10.98) 353
Questions
Bovine tuberculosis, Compensation 665w
British household panel survey 35–6w
Child care tax credit 41w
Data Archive 226w
Day care of children 175w
Death rate 689w
Great Western Trains, Performance standards 306w
Handicap benefits, Social security appeals 394–6w
Homelessness, Young people 312–3w
Maintenance, Children 554–5w
Pensioners, Personal income 25–6w, 392w, 547–8w
Retirement pensions, Age addition 547w

Webb, Mr Steve—continued
Social security benefits, Widowers 264–5w
Social security reform 173w
Social services, Young people 293w
Taxation, Child benefit 41w
Water meters, Scotland 95–6w
Widows' benefits 176w, 265w

Wells, Mr Bowen
Questions
Sudan, Armed conflict 137

Welsh, Mr Andrew
Questions
Educational finance, Scotland 479w
Teachers, Scotland 667

Welsh Assembly
see National Assembly of Wales

Welsh Development Agency
Multilateral Agreement on Investment 89w

Welsh Guards
355w

Welsh Highland Railway
189–90w

Welsh language
Schools 556–7w

Welsh Office
Cash limits 330–1w
Committee on Standards in Public Life 611w

Wembley Stadium
332

West Coast railway line
563–4w

West Indies Guardship
441w

West Midlands
Child Support Agency 607–8w
Incapacity benefit 391w
Motor industry 510–1w
Public transport 257w
Railway freight transport 256w

West Sussex
Physiotherapy 99w

Western European Union
413w, 472–3w

Wheelchairs
678w

White, Mr Brian
Debates etc.
Animal quarantine. Pets (29.10.98) 482, 488, 511–2
Pay television, Sports (28.10.98) 303–6
Questions
High technology, Small businesses 449–50
New deal schemes, Northern Ireland 324–5

White papers
Disclosure of information 188w

Whitehead, Dr Alan
Questions
Packaging, Recycling 456w
Social rented housing 104–5w
Taxis, Licensing 570–1w
Wind power, Offshore structures 446

Whitney, Sir Ray
Questions
Pinochet, Augusto 334–5

Whittingdale, Mr John
Debates etc.
Personal pensions, Misrepresentation (03.11.98) 724–9

Whittingdale, Mr John—continued
Questions
A12, Road works 108w
A130 313w
Duty free allowances 447–8w
EC labour policy 343w
Economic forecasting 1007
Road tax, Lorries 692w
Tobacco duties, Tax yields 447w
VAT, Home care services 691w
VAT, Sports facilities 41–2w
VAT registration 41w
VAT registration, Small businesses 41w
VAT (Sport Sports Competitions and Physical Education) Order 1998 42w
Voting System Independent Commission 335–6

Wicks, Mr Malcolm
Debates etc.
Social security (28.10.98) 353

Widdecombe, Rt Hon Ann
Questions
Hospital waiting lists 540w

Widowers
Social security benefits 176w, 264–5w

Widows
Child benefit 30w
Police pensions 240w
State earnings related pension scheme 553–4w

Widows' benefits
176w, 265w
Social security benefits uprating 29w

Wigley, Rt Hon Dafydd
Questions
Argentina, Foreign relations 151
Exchange rates, Wales 856
Local education authorities, Standard spending assessments 523–5w

Wild boar
Dorset 462w

Wildlife Bill 1997/98
Debates etc.
1R (03.11.98) 713

Wilkinson, Mr John
Debates etc.
Pinochet, Augusto, Points of order (27.10.98) 155–6
Questions
Argentina, Foreign relations 150
Business questions 466–7
Cuba, Diplomatic relations 172w
EC grants and loans 447–8
European fighter aircraft 540–1
Export promotion, Latin America 369–70w
Kosovo 144w
Ministers' visits abroad, Cuba 585w
Pinochet, Augusto 184w, 220–1w, 273–4w, 600w
Weapons, Northern Ireland 210w

Williams, Mr Alan W
Debates etc.
Agriculture (04.11.98) 938
Questions
Agriculture, Wales 858
Police, Early retirement 17

Williams, Mrs Betty
Questions
Intervention Board, Cash limits 437–8w

Willis, Mr Phil
Debates etc.
Personal pensions, Misrepresentation (03.11.98) 718, 731, 764, 768–72

Willis, Mr Phil—continued
Questions
Best value, Local government services 308w
Individual learning accounts 531w
Integrated schools, Northern Ireland 207–8w
Local authority powers 457w
Local government reform 457w
Mental health services 290w
National vocational qualifications, Educational standards 100w
NHS finance 71w
Primary care groups, Accountability 97w
Special education 530–1w
Student wastage 235w
Students, Rural areas 234w
Teacher training 528–9w
Vocational guidance 520–1w
Vocational guidance, Contracts for services 657w
Vocational training, Conditions of employment 519–20w

Wills, Mr Michael
Debates etc.
Economic situation (04.11.98) 882

Wilshire, Mr David
Questions
Pinochet, Augusto 370w, 402–3w, 505–6w, 601w, 626w, 635–6w

Wilson, Mr Brian, Minister for Trade, Dept of Trade and Industry
Debates etc.
World Trade Organisation, Environment protection (28.10.98) 291–4
Questions
Aerospace industry 283w
Aerospace industry, International cooperation 448
Defence industries, Trade fairs 129w
Engineering industries, Libyan Arab Republic 459–60
Export promotion, Chile 288w
Export promotion, Latin America 369–70w
Exports, North East region 443–4
Manufactured exports, Exchange rates 286w
Millennium Exhibition 448–9
Multilateral Agreement on Investment 132w
Multilateral Agreement on Investment, Developing countries 132–3w
Multilateral Agreement on Investment, Regional development agencies 132w
Overseas trade, Chile 369w
Overseas trade, South Africa 138–9w
Procurement, USA 129w
Redundancy, North East region 444–5
Trade promotion, Burma 289w

Winchester
Territorial Army 18w

Wind power
512–3w
Cumbria 461w
Offshore structures 446
Planning permission 461w

Winnick, Mr David
Debates etc.
European Parliamentary Elections Bill, Lords amendts (27.10.98) 196–8
Intelligence services (02.11.98) 581, 583, 587, 627, 639–41, 646–7
Iraq (03.11.98) 709
Ministerial statements, Points of order (26.10.98) 21
Pinochet, Augusto, Points of order (27.10.98) 156, (28.10.98) 356

Winnick, Mr David—continued
Questions
Business questions 469
Economic situation 687w
Pinochet, Augusto 150–1
Political refugees 18–9
Social Security Benefits Agency, Members' correspondence 32w

Winter fuel payments
33w

Winterbourne Gunner
Land reclamation 18w

Winterton, Mrs Ann
Debates etc.
Agriculture (04.11.98) 950
Questions
Equal opportunities, Northern Ireland 326
Housing construction 102–3w

Winterton, Mr Nicholas
Debates etc.
Agriculture (04.11.98) 953, 965–7, 975
Animal quarantine, Pets (29.10.98) 486
Economic policy (03.11.98) 698
Questions
Business questions 467–8
Courts, Rural areas 331–2w
Exchange rates 90w
Excise duties, Cars 692–3w
Falkland Islands, Armed forces catering services 356w
National Assembly of Wales, Ministers 609w
Scottish Parliament 478w
Small businesses, Interest rates 456

Winterton, Ms Rosie
Questions
Agenda 2000, EC transport policy 143–4
"Fairness at Work White Paper" 284–5w

Wise, Audrey
Debates etc.
Social security (28.10.98) 352

Withholding tax
328–9, 686w

Women
Councillors 643–4w
Health 624w

Women's Royal Voluntary Service
46w

Woodward, Mr Shaun
Debates etc.
Agriculture (04.11.98) 937, 942
Questions
Community hospitals 423–4w
Community hospitals, Hospital beds 424w
Personal savings, Taxation 999–1000

Woolas, Mr Phil
Questions
Hyperactivity 537w
Hyperactivity, Special education 530w
Textile industry 286w

Woolwich
Road works 573w

Working families tax credit
91–2w, 334, 687w, 865

Working hours
Charities 23w
EC law 368w, 624w
Non-teaching staff 405–6w
Teachers 405–6w

Working Time Regulations 1998
Debates etc.
(27.10.98) 213–41

Working Time Regulations 1998— *continued*

World Cup
198w
Public order policing 653w

World economy
684w
Developing countries 583w

World heritage sites
New Forest 267w

World Trade Organisation
Developing countries 4w
Environment protection (28.10.98) 272–94

World War I
Debts 226w

Worthington, Mr Tony
Questions
Educational standards, Scotland 667
Unemployment, Scotland 688w

Wright, Dr Tony
Debates etc.
Electoral systems (05.11.98) 1094–6

Wyatt, Derek
Debates etc.
Pay television, Sports (28.10.98) 304–5, 308
Questions
Income support, Mortgages 27–8w

Yeo, Mr Tim
Debates etc.
Agriculture (26.10.98) 99–105, (04.11.98) 934–41, 954
Animal quarantine, Pets (29.10.98) 483–7
Questions
"Access to the Open Countryside in England and Wales Consultation Paper" 103w
Pigmeat, Armed forces catering services 155w

Young, Sir George
Questions
Business statements 461–3

Young offenders
Administration of justice 48w, 389–90w
Custodial treatment 385w
Ethnic minorities 237–9w
Prisoners on remand 652–3w
Secure accommodation 680w

Young people
Alcohol and crime 57w
Alcoholic drinks 655w
Death 295w
Heart diseases 68w, 295w
Homelessness 312–3w
Housing 293w
Social services 293w

Youth employment
Agricultural workers 687–8w

Youth Justice Board
577w

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